CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

THIRD SESSION—TWENTY SIXTH PARLIAMENT

13 ELIZABETH II

VOLUME III, 1965

COMPRISING THE PERIOD FROM THE NINTH DAY OF JUNE, 1965,
TO THE THIRTIETH DAY OF JUNE, 1965, INCLUSIVE

INDEX ISSUED IN A SEPARATE VOLUME

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1965

22620—137½

HOUSE OF COMMONS

Wednesday, June 9, 1965

The house met at 2.30 p.m.

BUSINESS OF THE HOUSE

STATEMENT ON MATTERS TO BE CONSIDERED

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I would like to make a short statement to the House regarding the order of business for the days ahead, subject of course to the usual reservation that there may be emergencies which will change the order and indeed change the matters brought before the House.

After we complete the two resolutions dealing with parliamentary procedure it is our intention to bring before the House the two banking bills now on the order paper, Bill C-102 and Bill C-103, the revision of the Bank Act and the bill respecting savings banks in the Province of Quebec. After they have been given second reading they will be sent to the appropriate committee. Their consideration in committee will undoubtedly take some time; therefore special legislation will be required to provide for a necessary extension of the present bank charters.

• (2:40 p.m.)

Then, Mr. Speaker, we expect to bring forward the resolutions and bills implementing the budget proposals, which do deserve some priority, particularly in view of the 10 per cent cut in personal income tax due to take effect on July 1.

Then progress in consideration of supply is both desirable and indeed important. For instance, there will be a supplementary estimate to implement the program to pay grants and loans to unemployed workers who seek jobs. Another important item which should be given early consideration is the new incentive for industry in certain areas to increase employment and incomes. There is also additional legislation which is important, but I think non-controversial, which we should like to bring forward at any early date;—the Fisheries Improvement Loans Act; item No. 20 on the order paper, the bill to amend the Central Mortgage and Housing Corporation Act; certain veterans legislation; the bill to establish the Indian Claims Commission which is now on the order paper; and the order setting up a joint committee of the House of Commons and the Senate concerning the state of penitentiaries.

That is the immediate program, Mr. Speaker, which I venture to submit to the House. I think it takes us far enough ahead for the present part of this session, and I think its completion would undoubtedly entitle us to that summer recess to which we are all looking forward with such great anticipation.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, the program enunciated by the Prime Minister on this, the 39th day of the session, indicates that there will be many days ahead before the program will have been completed, even in the face of the co-operative attitude taken by Her Majesty's Loyal Opposition respecting legislative matters necessary to be passed by Parliament.

However, I should point out that the measures that are referred to in the budget resolutions will not meet the economic situation which to an unusual degree in the last two or three weeks has revealed portents both in Canada and the United States that are anything but hopeful. There is the stock market situation. There is the increasing balance of payments problems in so far as United States-Canadian trade is concerned. There is the relatively small increase in exports as compared with the very material increase in imports; and there is the necessity for action being taken now to meet a matter which on several occasions we have brought before this House, namely the removal of the 11 per cent sales tax on building materials and production machinery. This is something that is needed and I am sure, with the co-operation of the House, if we could but soften the heart of the Government in this regard, progress would be rapid and effective. At the annual meeting of the C.M.A. in Toronto yesterday—

Some hon. Members: Order.

Mr. Diefenbaker: —it was stated that the 11 per cent sales tax has placed Canadian industry in an unfair position.

Some hon. Members: Order.

Mr. Speaker: Order, please. The statement of the Prime Minister was very important but quite short, and I would hope that under the rules as given me by the House the various

commentaries will also be within the limits of the statement and reasonably short.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Mr. Speaker, the applause which has just occurred, with which I am in entire agreement, indicates that those people opposite feel exacerbated by the suggestion I made which would be beneficial to Canada as a whole, and which was demanded yesterday by the Manufacturers Association as necessary to preserve and extend the economy. I made that suggestion in the spirit of helpfulness which at all times I endeavour to exhibit. I thought the very suggestion on my part, when taken in conjunction with the serious views expressed by the Manufacturers Association as to this need, would be met with a different response from the Liberal Party than contemptuous jeering.

As far as the other matters are concerned, Sir, to which the Prime Minister referred, generally speaking they are, with one exception, mainly non-controversial. It was in that non-controversial state of mind that I made the suggestion that action is needed now in respect of these matters that affect the economy in the face of an extensive increase in the number of bankruptcies, never equalled since 1932; and let that fact be made clear.

I hope that between now and the date of the Prime Minister's departure to attend the Prime Ministers' Conference, he will give the House a general idea of his views regarding those matters which will come before the conference, to which reference has been made in the press. All of us will want to join in wishing him the very best as he represents our country at that great conference, and all of us hope that when he returns many of the things that will be placed before us will have been passed. I found that during the period I was Prime Minister it was said that usually when I was absent at a Prime Ministers' Conference greater progress was made in respect of legislation.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I am not sure whether the last remark of the Leader of the official Opposition was a hint that the Prime Minister might consider taking that right hon. gentleman with him.

Some hon. Members: Hear, hear.

Mr. Pearson: Mr. Speaker, I am willing to make that sacrifice in the interests of Parliament.

Mr. Diefenbaker: Mr. Speaker, the suggestion made by the hon. gentleman would be completely cancelled out if both of us were to go. If I were here progress would be made.

Mr. Douglas: Mr. Speaker, I can assure both right hon. gentlemen that Parliament would do its best to get on without them, and we would guarantee to accomplish a good deal of work during their absence.

I think the items the Prime Minister has announced as being high on the priority list are in the main non-controversial, and I see no reason why we should not be able to deal with them fairly expeditiously. There will be some discussion and disagreement on minor points, but I think these are items with which we will be able to dispose of without too much trouble.

• (2:50 p.m.)

There are one or two items I would hope the Prime Minister would give consideration to advancing in the order of priority. They are items which it seems to me cannot be too long delayed. One is the Canada Assistance Plan, which is of very considerable interest and ought to have high priority. Then there are two pieces of labour legislation. One involves amendments to the Fair Wages and Hours of Labour Act. If they are not dealt with it will mean that those who come under the legislation at the present time will have one standard from July 1 onward and those who are employed by Government agencies or work for contractors hired by the Federal Government and who are not covered at the present time will continue to be overlooked after July 1. I believe there would not necessarily be extended debate, and in my opinion it is fairly important that this legislation be advanced.

I had also hoped that some time before the summer recess the Government would at least make a public declaration and if possible introduce a resolution making clear its intention to implement the recommendations of the Hall Commission on national health insurance. We are all aware of the fact that a number of provinces are proceeding with provincial plans. If enough of these plans are established on a provincial basis with no uniformity among them and no provision for their being meshed into a Federal plan, this could constitute a very serious obstacle to establishing national health insurance in Canada. I hope that some time before the recess the Government will make at least a declaration stating that it accepts the principle of national health insurance and intends to introduce legislation at this session of

Parliament to provide for medicare, and asking the provinces not to do anything that would make more difficult the establishment of a comprehensive health insurance plan for all Canadians.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, in making some comments at this time it would be very easy to take advantage of the situation to list those pieces of legislation we would like to see the Government introduce and make such comments on the basis that it is good politically to be emphasizing those things about which we are most concerned. On the other hand I think we have a responsibility to each other and also to the country to make sure that what happened last year with regard to a summer recess does not happen again this year. I do not believe that a recess is a holiday. I think of a recess as providing an opportunity to go back to our constituencies and do much of the work for our constituents that we should do but have not been able to do for the past year and a half.

I had hoped that the Prime Minister would make some definite statement about the date when he expects Parliament to recess. I appreciate his outline of legislation and the order of priority, but I think it would also be helpful if a target date could be set. I hope he has in mind some date before July 1.

In my opinion it is a good thing that the Government plans to extend the present bank acts because in the period remaining before a recess there will not be sufficient time to consider adequately in committee the report of the Royal Commission on Banking and Finance and deal with the new bank bills. I would also hope the Government House Leader would make sure that the new standing committees are set up immediately and that the estimates are referred to those committees, because in the few weeks left before the recess they might be able to do a good part of the work on the estimates. Certainly that work should be started before the fall.

As we face the next few weeks I trust we will be able to deal with the legislation that has been outlined with dispatch and effectiveness because, as has been said, most of it is not controversial. We realize the importance of the Commonwealth Conference that the Prime Minister will of necessity be attending. I should like to emphasize that I believe it would be a good policy for him before he leaves to outline to the House some of the objectives which he is looking forward to achieving at that Conference. I think he would be well advised if some statement of Government policy could be made before he leaves.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, we listened with interest to the announcement made by the Prime Minister (Mr. Pearson) concerning the priority measures he wants the house to examine until the adjournment or the end of the present session.

In his view, those measures are the least controversial items of the legislative program. Now, among those he mentioned, there are certainly some that will raise a controversy, for instance, the amendments to the Bank Act, the renewal of bank charters, their extension until the matter is discussed by the banking and commerce committee.

In my opinion, Mr. Speaker, those are points which not only will draw parliament's attention, but that of the general public.

A moment ago I heard the leader of the New Democratic party (Mr. Douglas) tell us that the government should immediately introduce a national medicare plan or bill. The Leader of the Official Opposition (Mr. Diefenbaker) reminded us about the 11 per cent tax on building materials; we are one hundred per cent in favour of abolishing this 11 per cent tax. But at the same time I thought that when the Leader of the Opposition was prime minister, not so long ago, with 208 federal members behind him, we had in this country more than one million unemployed. There was no sales tax on building materials at that time, but I only want to point out that when you are in the opposition, as in the case of the Leader of the Opposition at present, it is always easier to blame the government. The same thing applies to the present Prime Minister when he was in the opposition; he was wont to blame the government and the then prime minister.

Mr. Speaker, we are ready to examine the less controversial bills as well as the controversial ones. But we maintain that if the Prime Minister had announced today that from now on the sovereign government of Canada would use the Bank of Canada to finance the economic development of the country, we would not have heard about any socialist plan, as we just did, or any criticism as has been expressed earlier.

We regret that it seems less important to control the country's monetary system than to subdue individuals and to introduce measures directed against, and designed to belittle, the human person. Those are presented as non-controversial matters. But no mention is made of the monetary system. No

mention is made of the banks. The control of finance over the economic life of our country is overlooked and thought is given mostly to downgrade the human person throughout the country.

Mr. Speaker, I hope that the Prime Minister will introduce the least controversial legislation possible, which will provide security and personal freedom to every Canadian citizen.

[*English*]

DOMINION-PROVINCIAL CONFERENCE

STATEMENT AS TO OPENING DATE AND AGENDA

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I indicated the other day that I would make a short statement on the forthcoming Federal-Provincial Conference. All the Provinces have now agreed that this conference should open in Ottawa on Monday, July 19. It is expected to last for most of that week. I suggest that my letters of April 9 and May 13 to the Provinces concerning the agenda of the conference, together with the replies of the Premiers, might now be tabled.

The agenda of the conference originally proposed by the Federal Government was considerably expanded to meet the requests of the Provincial Governments. This is one of the reasons that the conference was postponed for a few weeks. The agenda is a very comprehensive one. The first item deals with social security. The conference will discuss the ways in which Federal-Provincial action can most effectively contribute to programs that will provide health services to Canadians on a comprehensive basis. It will also consider the basic features of an integrated Canada assistance plan which has been developed in consultation between the Federal and Provincial ministers of welfare.

• (3:00 p.m.)

The second item deals with economic development, and in particular with regional development and programs for the full utilization of human resources and the elimination of poverty, which can play a most important role in the promotion and maintenance of national prosperity and unity. The Federal Government will seek for the most appropriate and effective ways of concerting federal and provincial action in this field.

Under the third item, the Chairman of the Tax Structure Committee will present a progress report on the studies being conducted for the Committee, and the Conference will examine a number of questions related to the work of the Committee which have been placed on the agenda at the request of various provinces.

Of the remaining items some, such as item 4 concerning transportation and item 5 concerning inland water resources, have been placed on the agenda at the request of interested provinces. Some of the other items, such as item 6 relating to federal-provincial co-operation to combat organized crime and item 7 on liaison arrangements, which were originally proposed by the Federal Government, have been expanded in scope to take into account the views of provinces.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

INVESTIGATION INTO CONTROL OF MASS MEDIA

Question No. 8—**Mr. Fisher:**

1. Has the attention of the Prime Minister or Members of the Cabinet been drawn to resolutions or requests by organizations such as the Saskatchewan Farmers Union asking for an investigation into the control of mass media in Canada, and particularly the press ownership on the Prairies?
2. If so, has the government any official reaction to the resolutions or requests?
3. Does the government consider that it has the constitutional authority to make such an investigation?
4. Does the work of the Combines Investigation Branch or the restrictive trades practices commission enable them on a continuing basis to appraise trends toward consolidation of ownership in the mass media, and particularly with the press?

Hon. Maurice Lamontagne (Secretary of State): 1. No.

2. Not applicable.

3. This would depend upon the nature and purpose of the investigation.

4. Bearing in mind the size of the Combines Branch and the responsibilities of the senior staff in its day to day operations, it is not feasible to attempt on a continuing basis to appraise trends toward consolidation of the ownership in the mass media generally but it does do so in the case of newspapers and magazines. In this respect it should be noted that the jurisdiction of the Branch does not extend to acquisitions in the fields of television and radio broadcasting media. In the normal course of its operations, the Branch gives consideration to acquisitions in the field of newspapers and magazines for the purpose of determining whether they raise any question under the Combines Investigation Act and where the Director has reason to believe that the Act has been or is about to be violated, he takes action as required by the statute.

MINING COMPANY TAXES, VILLENEUVE COUNTY, QUE.

Question No. 121—**Mr. Caouette:**

What is the amount of the various federal taxes collected from mining companies in the county of Villeneuve?

Hon E. J. Benson (Minister of National Revenue): For Customs and Excise Division. There is no specific record available of sales tax paid by mining companies, as such. Their major operations do not bring them within the ambit of the Excise Tax Act.

For Taxation Division.

Statistics relating to income tax returns filed are not maintained on a basis of address by county and therefore the information requested cannot be furnished.

It should be mentioned that the Taxation Division of my department publishes annually a book known as "Taxation Statistics", which provides considerable detail broken down as fine as the information available will permit.

COST OF PRODUCING AND MARKETING LIVESTOCK PRODUCTS

Question No. 137—**Mr. Rondeau:**

With reference to the statement by the Minister of Agriculture, as it appears in *Hansard*, pages 11580-11581, concerning the gross revenue of approximately $2,816 from the sale of products derived from 6 cows and 2 sows, what is the government's estimate of the cost of producing and marketing such products?

Hon. Harry W. Hays (Minister of Agriculture): It is not practical to obtain an average for all of Canada of the cost of producing milk or hogs that would have any real meaning. Costs of production vary widely with location, type of enterprise, feed availability, size of operation and other factors. For example, a Quebec study on cost of production of hogs for 1956-57 gave a range of $7.81 to $29.18 per hundredweight live. Applying recent prices gives a range of $9.05 to $33.82 per hundredweight live. If the farms are divided into thirds according to costs, the results are as follows:

Lowest third, $13.10; median third, $18.02; highest third, $25.44.

Studies of costs of milk production show similar ranges.

DORCHESTER COUNTY, QUE., INCOMES

Question No. 167—**Mr. Boutin:**

1. How many individuals in Dorchester county reported, for each of the years 1960, 1961, 1962, 1963 and 1964, an income of (a) $100,000 or more (b) between $75,000 and $100,000 (c) between $50,000 and $75,000 (d) between $25,000 and $50,000 (e) between $10,000 and $25,000 (f) between $5,000 and $10,000 (g) between $2,000 and $5,000?

2. How are these individuals distributed by parish?

Hon. E. J. Benson (Minister of National Revenue): 1 and 2. Statistics relating to income tax returns filed are not maintained on a basis of address by county or parish and therefore the information requested cannot be furnished.

It should be mentioned that the Taxation Division of my department publishes annually a book known as "Taxation Statistics", which provides considerable detail broken down as fine as the information available will permit.

FEDERAL STEPS TO DEAL WITH FARM PRICE PROBLEMS

Question No. 277—**Mr. Howe (Wellington-Huron):**

1. What measures does the government plan to introduce to alleviate farm price problems as intimated by the Minister of Agriculture on April 28, 1965, to a farm delegation?

2. When will such measures be introduced?

Hon. Harry W. Hays (Minister of Agriculture): 1 and 2. This is a matter of government policy and will be announced in due course.

ADVERTISING ACCOUNTS WITH BREITHAUPT, BENSON AND CO., TORONTO

Question No. 355—**Mr. Aiken:**

1. Does the advertising firm of Breithaupt, Benson and Company, Limited of Toronto have any advertising accounts with the Government of Canada?

2. Has this firm carried a recruiting account for any of the armed services and, if so, when did such contract commence and when was it terminated?

3. Has there been any transfer of accounts from Breithaupt, Benson and Company, Limited to Walsh Advertising Company Limited and, if so, when was this transfer effected and what account was transferred?

4. Do any of the armed services recruiting accounts placed through Breithaupt, Benson and Company, Limited remain unpaid, and are any funds held back to ensure payment of such accounts?

Hon. Maurice Lamontagne (Secretary of State): 1. No.

2. Yes, 2 July 1963 to 31 March 1965.

3. No.

4. Not known at this time because the possibility exists that all suppliers' invoices arising from the 1964-65 program have not yet been received by this agency. No funds are held back; however, provision is made in the 1965-66 recruiting advertising budget to reimburse Breithaupt, Benson and Company

Limited, for charges arising from the 1964-65 advertising campaign.

PASSPORT APPLICATION OF MRS. LUCIEN RIVARD

Question No. 410—**Mr. Coates:**

Has a decision been reached on Mrs. Lucien Rivard's application for a passport and, if so, what was the decision?

Hon. Paul Martin (Secretary of State for External Affairs): 1. No. Her application is still under consideration.

OFFICIAL SCULPTOR, PARLIAMENT BUILDINGS

Question No. 457—**Mr. Enns:**

1. What is the name of the official sculpturer for the Parliament Buildings?
2. How are projects for sculpture decided?
3. Is there an advisory committee?
4. Who are the members of the advisory committee?
5. As the sculpture in the main hall in the front of the House of Commons has stimulated public interest, what is the main theme of each panel?

Answer: 1. R. Eleanor Milne, S.S.C.

2, 3, and 4. Prior to 1961-2 a committee comprising the Speakers of the two Houses of Parliament and the Chief Architect of the Department of Public Works met at irregular intervals to choose themes for the sculptures in the Centre Block and to decide on individual subjects within the accepted themes.

In 1963 an ad hoc committee comprising the Minister of Public Works, the acting Deputy Minister of Public Works, the Assistant Deputy Minister of Public Works and the official scuplturer met and approved the themes and subjects which are currently in work. This work will be concluded during 1965.

5. The subjects of the separate panels, each arranged as a triptych, represent unique incidents in Canada's development which cannot by their nature be repeated in later times. In order from left to right, beginning of the east wall, the subjects are: The arrival of earliest man; The arrival of European man; The exploration of the St. Lawrence River; New World migration from wars and strife; The first settlers in the east; The birth of schooling; The opening of the west; The northern searches.

A pamphlet is presently being prepared for issue in conjunction with the centennial year. Included in this pamphlet, all details regarding the old carvings and new carvings will be clearly defined.

[Mr. Lamontagne.]

GATT NEGOTIATIONS ON FRUIT AND VEGETABLE PRODUCTS

Question No. 458—**Mr. Danforth:**

1. Are negotiations currently under way at Geneva concerning proposed tariff changes on fruit and vegetable products?
2. What is the target date for the conclusion of this phase of negotiations?
3. When and by what manner will the results of this particular phase of the negotiations be released to Parliament and to the industry?
4. Will the various segments of the industry have an opportunity to recommend changes to the government if they feel direct hardships result from the new rates?
5. Will there be any flexibility whatsoever allowing changes in rates in the event of hardships without full consideration by the nations involved at a subsequent meeting at Geneva?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): 1. The tariff negotiations currently taking place under the GATT cover a wide range of products. It has not been the practice in past negotiations to state whether particular products were the subject of negotiations.

2. There is no target date for the conclusion of the current negotiations.

3. The results of past tariff negotiations have been announced in the House of Commons, if Parliament was sitting, or made public by means of a press release, at a date agreed with the other negotiating countries. It is likely the same practice will be followed in regard to the current tariff negotiations.

4. The Government is always prepared to hear representations from any firm or industry which feels that it is adversely affected by any change in tariff rates.

5. There are detailed procedures embodied in the GATT for changes in tariff rates. In essence these involve negotiation with the country with which the tariff rate was originally negotiated and with the other countries that have a substantial interest in exporting the products in question.

ARDA EMPLOYEES BY PROVINCES

Question No. 466—**Mr. Dionne:**

1. What, to date, is the number of employees working as regional directors, program co-ordinators, or in other capacities under the ARDA program in each of the provinces of Canada?
2. What is the salary by category and by classification of responsibility of each employee?

Hon. Maurice Sauvé (Minister of Forestry): 1. The responsibility for initiating and carrying out projects and programs under the agreements lies with the provinces. Each of the provinces has its own ARDA organization. At the present time the federal government has one employee working as a program co-ordinator.

2. The above federal employee is classified as a technical officer 9 with a salary range of $9,140-$10,700.

J. S. LAROSE

Question No. 488—**Mr. Peters:**

1. Has the Superintendent of Bankruptcy, Mr. J. S. Larose, been recently transferred to the Combines Investigation Branch?
2. What is his rank in his new position?
3. What were the reasons given for the transfer?
4. What qualifications are necessary for officer 6 in the Combines Investigation Branch?
5. What qualifications are possessed by Mr. Larose?
6. What is the date and number of the Civil Service Commission circular posting this job and requirements?
7. How many applicants, besides Mr. Larose, applied and what were the results of this competition and the rating of each applicant?

Hon. Maurice Lamontagne (Secretary of State): I am informed by the Department of Justice and the Civil Service Commission as follows:

1. Yes.

2. Combines Investigation Officer, Grade 6.

3. With the steady increase in the work of the Combines Branch, including the volume of work conducted in the French language, the Director, under the Combines Investigation Act, considered it essential to have a senior bilingual officer who could assume responsibility for work conducted in the French language.

4. The qualifications for a Combines Investigation Officer, Grade 6, are: University graduation in a course of recognized standing; ability to prepare comprehensive reports and memoranda on business and trade matters; ability to carry on major investigations; ability to direct and supervise the work of less senior officers; ability to assist and instruct counsel appointed by the Minister to conduct prosecutions or other legal proceedings, ability to maintain effective liaison with senior government and business officials and groups. In addition, there may be required extensive experience in law, economics, accounting or related fields, and bilingualism.

5. Thirty years' administrative and investigational experience in the related field of bankruptcy including approximately ten years as Superintendent of Bankruptcy; extensive knowledge of business operations and practices; bilingual; University graduate.

6. As this appointment was made without competition pursuant to Section 22 of the Civil Service Act, no circular was issued.

7. Not applicable. See 6.

Questions

EXPO '67—CONTROL OF EXPENDITURES

Question No. 496—**Mr. Southam:**

1. What controls are exercised by the federal government to prevent wasteful and improvident expenditures being made by the Director of Expo '67?
2. In how many instances, with the amounts thereof in each case, to date have expenditures been (a) disallowed, and in what amounts (b) reduced, because of objections thereto taken by representatives of the Department of Trade and Commerce?

Hon. Mitchell Sharp (Minister of Trade and Commerce): 1. The control of expenditures exercised by the management of the Canadian World Exhibition Corporation is based on the requirements set forth in the incorporating Act and involves:

(a) the approval of the Governor in Council and the Lieutenant Governor in Council of the over-all plan for the Exhibition, setting forth the various undertakings and projects proposed by the Corporation in connection with the planning, organizing, holding and administering of the Exhibition, the estimated cost of each such undertaking or project and an estimate of the total capital costs and operating costs of the Corporation in respect of the Exhibition.

Any material changes in the over-all plan including estimates of cost must be submitted to the Governor in Council and the Lieutenant Governor in Council for approval.

(b) The Capital Budget of the Corporation is submitted annually for the approval of the Minister of Trade and Commerce, the Minister of Industry and Commerce of Quebec and the Federal and Provincial Ministers of Finance.

The Capital Budget for the current year was tabled on April 8, 1965.

(c) The annual Operating Budget is submitted for approval to the Minister of Trade and Commerce, the Minister of Industry and Commerce of Quebec and the Federal and Provincial Ministers of Finance.

(d) Within these budgets expenditures of up to $100,000 may be made by approval of the Board of Directors of the Corporation.

(e) Expenditures in excess of $100,000 require approval of the Governor in Council.

(f) The accounts and financial transactions of the Corporation are audited by the Auditor General of Canada and the Quebec Provincial Auditor.

2. (a) and (b)—All recommendations to Treasury Board for expenditures in excess of $100,000 require the signature of the Minister of Trade and Commerce. The Minister does not sign these recommendations unless

he is satisfied not only that they are in accordance with the budget but also that the expenditure is warranted and all reasonable steps have been taken to ensure economy.

PRAIRIE FARM ASSISTANCE PAYMENTS

Question No. 497—**Mr. Rapp:**

1. How many farmers in (a) Saskatchewan (b) Alberta (c) Manitoba, have received P.F.A.A. payments for crop failures in whole or in part for the year 1964?

2. How many applications have been (a) turned down, or (b) held up, in each of the constituencies of (i) The Battlefords (ii) Meadow Lake (iii) Prince Albert (iv) Mackenzie?

3. How many appeals in regard to non-payment have been made by aggrieved farmers, and in how many cases have such appeals been allowed?

Hon. Harry W. Hays (Minister of Agriculture): 1. (a) 25,637; (b) 12,784; (c) 1,706.

2. (a) (i) None; (ii) one; (iii) none; (iv) none. (b) (i) none; (ii) none; (iii) none; (iv) none.

3. Seventeen farmers have appealed to the board of review because of non-payment. Five appeals have been allowed and seven are being held pending a decision of the Board.

RESIGNATIONS OF CENTENNIAL COMMISSION OFFICIALS

Question No. 504—**Mr. Mather:**

How many officials of the Canadian Centennial Commission have left the Commission within the past three months?

Hon. Maurice Lamontagne (Secretary of State): Two.

MAIL TRANSPORT, HAMILTON TO TORONTO

Question No. 514—**Mr. Howe (Hamilton South):**

1. At what times in each day is first class mail transported from Hamilton to Toronto?

2. At what times each day is second class mail transported from Hamilton to Toronto?

3. At what times each day is special delivery mail transported from Hamilton to Toronto?

4. Have there been any changes in this schedule in the last two years and, if so, what were the changes, and why were they made?

Hon. René Tremblay (Postmaster General): 1, 2 and 3. All classes of mail, including special delivery items are transported from Hamilton to Toronto daily at the following times (E.D.T.): 12:50 A.M., 7:00 A.M., 6:45 P.M., 9:10 P.M., 10:50 P.M.

4. Yes, the cancellation of trains and a major reorganization of mail services in the Niagara Peninsula resulted in the evolution of the present schedules and the elimination of daily dispatches from Hamilton to Toronto at the following times (E.D.T.): 12:15 P.M.; 3:15 P.M.; 7:20 P.M.; 8:45 P.M.

[Mr. Sharp.]

COUNTRIES PARTICIPATING IN EXPO '67

Question No. 518—**Mr. Martineau:**

1. Is a revised contract being presented for signature to the national representatives of some 30 governments taking part in Expo '67?

2. If so, why is such a revised contract being presented to these representatives?

3. When are the participants in Expo '67 expected to sign binding instruments in regard of such participation?

4. How many countries have been invited to participate in Expo '67 and how many have accepted to date?

[*Translation*]

Hon. Mitchell Sharp (Minister of Trade and Commerce): 1. The original version of the standard participation contract was submitted in April 1965 to a Commission of the International Bureau of Exhibitions. It was then suggested to the Corporation to remove from this version the provisions of a regulatory nature and embody the same into the various sets of special rules and regulations which the General Rules and Regulation of the B.I.E. call for. This suggestion was accepted and this explains why the contract was revised.

2. See answer to question 1.

3. Some countries have already signed the standard contract while many have already scheduled the signing ceremony. The contract was distributed to all governments represented at the Meeting of Commissioners General of Section which took place in Montreal from May the 19th to the 22nd. They have all expressed their wish to sign a contract with the least possible delay after clearing the same with their own government. Even in the absence of a signed binding document, the governments that have announced their participation are presently working on the plans of their pavilion.

4. 139 countries were invited to participate in Expo '67. To date, 51 countries including Canada have accepted and it should be noted that the 10 Canadian provinces, the cities of Paris and Montreal, and the European Common Market, will also participate.

[*English*]

CATERING SERVICE, MONTREAL AIRPORT

Question No. 535—**Mr. Groos:**

1. What is the name of the firm which runs the catering service at the main building of the Montreal International Airport?

2. What is the date and duration of the contract?

3. On what basis is the contract awarded?

4. Does the Department of Transport or any other branch of the Canadian Government maintain any inspection services to see that adequate standards of service and quality control are maintained in the catering services provided for the public at airport buildings operated by the Department of Transport?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): 1. The restaurant concession is operated by A.F.C. Limited (Air Food Caterers).

2. The effective date of the lease is February 1, 1961. The lease is for five years, renewable for two further terms of five years, subject to rental reviews at each renewal period.

3. The concession was awarded on the basis of evaluation of tenders received.

4. Sanitation inspections are carried out by the Department of National Health and Welfare.

ARDA PROJECTS, ONTARIO COUNTIES

Question No. 554—**Mr. Francis:**

1. What projects were approved under ARDA prior to April 8, 1963, for the Counties of Renfrew, Lanark, Carleton and Russell in Ontario?

2. What projects have been approved for these counties since April 8, 1963?

Hon. Maurice Sauvé (Minister of Forestry): 1. Nil.

2. Projects which have been approved for the Counties of Renfrew, Lanark, Carleton and Russell in Ontario, since April 8, 1963, are as follows:

Renfrew County: Project No. 6017, Feasibility study of low dam—Snake River Habitat improvement for waterfowl; Project No. 6019, Acquire marginal land for forestry purposes; Project No. 6041, Muskrat River watershed development—Phase I; Project No. 6043, Muskrat River watershed development—Phase III.

Lanark County, nil; Carleton County, nil; Russell County, nil.

P.F.R.A.—WATER DEVELOPMENT PROGRAM

Question No. 556—**Mr. Laprise:**

Under the Prairie Farm Rehabilitation Act, how many farmers have benefited from the water development program, in each of the past ten years, in each province, to which the Act applies, and what amount has been spent in the past ten years in each province concerned?

Hon. Harry W. Hays (Minister of Agriculture):

Manitoba

Year	Number	Amount
1955-56	35	$ 5,141.21
1956-57	94	11,759.30
1957-58	186	22,142.59
1958-59	790	99,721.37
1959-60	572	111,500.50
1960-61	618	138,843.35
1961-62	1,798	391,765.67
1962-63	1,062	266,301.28
1963-64	464	111,543.70
1964-65	477	114,064.79
Total	6,096	$1,272,783.76

Saskatchewan

1955-56	322	$ 39,865.67
1956-57	509	66,545.80
1957-58	1,478	180,759.62
1958-59	2,114	259,195.51
1959-60	2,667	534,047.19
1960-61	3,214	673,116.24
1961-62	5,826	1,309,091.71
1962-63	4,446	1,025,443.91
1963-64	1,702	418,681.53
1964-65	1,820	452,706.71
Total	24,098	$4,959,453.89

Alberta

1955-56	385	$ 49,991.96
1956-57	471	53,178.15
1957-58	895	96,411.35
1958-59	778	90,997.69
1959-60	1,086	199,442.15
1960-61	1,404	272,310.29
1961-62	2,020	391,889.95
1962-63	1,914	424,817.44
1963-64	1,528	359,508.10
1964-65	1,243	294,552.88
Total	11,724	$2,233,099.96
Grand Total	41,918	$8,465,337.61

Questions

The above is the number of individual projects (dugouts, stockwatering dams and small irrigation projects). It does not include community projects and large water development projects where all farmers in the surrounding area adjacent to the project would benefit.

ACADIA, ALTA.—ESTABLISHMENT OF TEST FARM

Question No. 559—**Mr. Horner (Acadia):**

1. Does the federal government intend to set up a test farm in Acadia and, if so, where and when is this to be undertaken?

2. Which governments will share the costs of this farm?

3. Is the Farm Credit Corporation now looking for a suitable farm?

Hon. Harry W. Hays (Minister of Agriculture): 1. As announced by the Minister of Agriculture on January 14, it is proposed that a series of demonstration farms be established across Canada. To date one has been established and, while no firm plans have been made concerning the locations of the

other farms, it is possible that such a one may be set up in the Acadia area. In the establishment of these farms the Government does not purchase the land but enters into a contract with an existing farm operator to conduct the necessary work.

2. Answered by (1).

3. Answered by (1).

BILINGUALISM AND BICULTURALISM—OBSERVERS AT R.I.N. DEMONSTRATIONS

Question No. 571—**Mr. Winkler:**

What are the names of the 3 staff research workers with the Royal Commission on Bilingualism and Biculturalism who attended officially as observers at the R.I.N. demonstrations in Montreal May 24, 1965?

Mr. Jack Davis (Parliamentary Secretary to Prime Minister): I am informed by the Royal Commission on Bilingualism and Biculturalism as follows:

Two research assistants, Mr. Charles Barker and Mr. Alfrèdo Lévesque, of the research staff of the Royal Commission on Bilingualism and Biculturalism attended as observers the R.I.N. Conference (Le congrès national du RIN) in Montreal on the weekend of Hay 22-24. Neither of these men, nor any other research staff member of the Royal Commission, attended the street demonstrations which occurred in Montreal on May 24, 1965.

POSSIBLE REMOVAL OF EXCISE TAX ON JEWELLERY

Question No. 578—**Mr. Irvine:**

1. Is the government considering removal of the special Excise Tax imposed on jewellery during World War II and, if so, when will action be taken?

2. Is the government considering reduction of the special Excise Tax imposed on jewellery during World War II and, if so, when will action be taken and what will be the amount of the reduction?

3. If no consideration has been given to the removal or the reduction of the special Excise Tax, will the government give consideration to this question?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): 1. The imposition, repeal, increase or reduction of a tax is a matter of budgetary policy. Any change of this nature needs to be introduced in the normal course of budget presentation. The 1965 Budget did not propose any change in the excise tax status of jewellery.

2. Same as 1.

3. Careful consideration will be given during the general review of commodity tax matters scheduled to take place this year to the possibility of repealing or reducing the special excise tax on jewellery.

QUEBEC—PROVINCIAL PARK AS CENTENNIAL PROJECT

Question No. 580—**Mr. Martineau:**

1. Is a provincial park along the north shore of the Ottawa River between Carillon and Hull (Quebec) being planned as a joint federal-provincial Centennial project?

2. Have preliminary plans for the project been presented to the federal Centennial Commission for approval?

Hon. Maurice Lamontagne (Secretary of State): 1. Yes.

2. Yes.

MOTOR VEHICLE PURCHASES BY DEPARTMENT OF FISHERIES

Question No. 585—**Mr. MacLean (Queens):**

From March 1, 1964 to May 1, 1965, how many passenger motor vehicles have been purchased by the Department of Fisheries (a) manufactured or assembled in Nova Scotia (b) manufactured or assembled in Ontario (c) imported from the United States (d) imported from other countries?

Hon. H. J. Robichaud (Minister of Fisheries): (a) Nil; (b) 52; (c) nil; (d) nil.

STANSTEAD, QUE.—APPROVAL OF HOUSING LOANS

Question No. 587—**Mr. Forest:**

1. For the calendar years 1963, 1964 and 1965, how many C.M.H.C. loans were approved for the County of Stanstead for the construction of single and multiple-unit dwellings and duplexes?

2. For the same years, how many housing units qualified for the $500 winter construction grant?

Hon. J. R. Nicholson (Minister of Citizenship and Immigration):

1.

Period	Approved Lenders' Loans		C.M.H.C. Loans		All N.H.A. Loans	
	Loans	Dwelling Units	Loans	Dwelling Units	Loans	Dwelling Units
			Home-Ownership Loans			
1963	—	—	4	4	4	4
1964	—	—	19	21	19	21
1965 Jan-March	—	—	1	1	1	1
			Rental Loans			
1963	—	—	—	—	—	—
1964	—	—	1	4	1	4
1965 Jan-March	—	—	—	—	—	—

NOTE: For part 1. above, data on loans approved for single and multiple-unit dwellings and duplexes are not available for the area specified.

2. 1964, 16 dwelling units; 1965, 32 dwelling units. The first winter house-building incentive program was for the 1963/64 season, so that no housing units qualified under the program in the calendar year 1963.

CANADIAN BROADCASTING CORPORATION—POSSESSION OF LIVE SEALS

Question No. 594—**Mr. Muir (Cape Breton North and Victoria):**

1. Did the Department of Fisheries, during the month of March, 1965, place a charge against an employee of the Canadian Broadcasting Corporation with possesion of two live seals without a permit?
2. If so, what was the result of the prosecution?

Hon. H. J. Robichaud (Minister of Fisheries): 1. No.

2. Answered by No. 1.

DEPARTMENT OF INDUSTRY—LOCATION OF PERSONNEL EMPLOYMENT

Question No. 595—**Mr. Stenson:**

As of April 30, 1965, how many employees were there in the Department of Industry, and of these (a) how many were employed in Ottawa (b) how many were employed in other cities (c) what are the names of these cities and how many were employed in each office?

Hon. C. M. Drury (Minister of Industry): 371 continuing employees and 11 casuals. (a) 366 continuing, 10 casuals; (b) 5 continuing, 1 casual; (c) Montreal, 1 continuing; Toronto, 4 continuing; St. John, N.B., 1 casual.

POST OFFICES—CHANGES IN CONSTRUCTION REGULATIONS

Question No. 597—**Mr. Ricard:**

1. During the past 24 months, have any changes been made to the regulations and requirements governing the construction of post offices with an income under $3,000 per annum and, if so, what amendments?
2. If no changes have been made, what are the requirements for the construction of such buildings?

[*Translation*]

Hon. René Tremblay (Postmaster General): 1. There has been no basic change in the Post Office policy within the past 24 months with respect to the regulations and requirements governing the construction of Crown-owned Post Office Buildings. It is still required that a Post Office be classified as a Semi-Staff Post Office before a request is made to the Department of Public Works for the construction of a Crown-owned building.

As part of the Supplementary Federal Government Winter Construction Program, during the past two winters a number of small Crown-owned buildings were erected for Revenue Post Offices in those locations in certain designated areas and areas of high winter unemployment.

2. See 1.

[*English*]

RESTIGOUCHE-MADAWASKA—CENTENNIAL JOINT PROGRAM POLICY

Question No. 606—**Mr. Dubé:**

1. How many applications have been made, by the towns and municipalities, of the County of

Questions

Restigouche-Madawaska, under the joint program policy, with respect to the celebrations of the Confederation Centennial in 1967?

2. How many and which applications, specifically, were accepted?

3. What financial support is forthcoming from the participating governments, in each case?

Hon. Maurice Lamontagne (Secretary of State): 1. Four applications have been received by the Centennial Commission from the towns and municipalities of the County of Restigouche-Madawaska.

2. Three applications were approved namely, (1) The municipality of Madawaska, Boys Scout Camp; (2) The municipality of Madawaska, Pavilion-Exhibition Building; (3) County of Restigouche, Library.

3. Federal, Provincial and Municipal Contributions:

	Federal Contribution	Provincial Contribution	Other Provincial Contribution	Municipal Contribution
Municipality of Madawaska (Boys Scout Camp)	$13,998.33	$13,998.33		$13,998.34
Municipality of Madawaska (Pavilion-Exhibition Bldg.)	$10,500.00	$10,500.00		$10,500.00
County of Restigouche	$42,050.00	$42,050.00	$18,923.00	$46,977.00

ARRAN TOWNSHIP, ONT.,—CENTENNIAL PROJECT GRANT

Question No. 609—**Mr. Loney:**

Has an application been received for a Centennial Project Grant from the Municipality of Arran Township, Bruce County, Ontario?

Hon. Maurice Lamontagne (Secretary of State): The Centennial Commission does not receive applications made by towns and municipalities until they are approved by the provincial government concerned and therefore has no way of knowing how many applications were submitted by towns and municipalities in any constituency. No application relating to a project or projects has been received from the Ontario Centennial Advisory Committee referring to the municipality of Arran Township, Bruce County, Ontario, as at May 31, 1965.

EMPLOYMENT IN AUTOMOTIVE INDUSTRY

Question No. 619—**Mr. Stenson:**

What has been the annual increase in employment in the car and truck industry in Canada in the years 1959-60, 60-61, 61-62, 62-63, 63-64, 64-65?

Hon. Mitchell Sharp (Minister of Trade and Commerce): See table page 2159.

EMPLOYMENT INDEXES AND AGGREGATES 1959–1965

Year	Annual Average Index (1949=100)	Average Employment[1]	Year-to Year Change	Year-to Year % Change	January Index (1949=100)	January Employment[1]	January to January Change	January to January % Change
			A. *Motor Vehicles (including Trucks)*					
1959	106.0	29,519			102.2	28,461		
1960	104.3	29,045	− 474	− 1.6	119.2	33,195	+ 4,734	+16.6
1961	99.7	27,764	−1,281	− 4.4	105.4	29,352	− 3,843	−11.6
1962	107.5	29,937	+2,173	+ 7.8	109.2	30,410	+ 1,058	+ 3.6
1963	122.6	34,142	+4,205	+14.0	121.3	33,780	+ 3,370	+11.1
1964	139.3	38,792	+4,650	+13.6	143.5	39,962	+ 6,182	+18.3
1965	n.a.	n.a.	—	—	161.3	44,919	+ 4,957	+12.4
			B. *Motor Vehicles Parts and Accessories*					
1959	107.1	19,137			108.9	19,458		
1960	103.6	18,511	− 626	− 3.3	114.3	20,423	+ 965	+ 5.0
1961	102.8	18,369	− 142	− 0.8	100.1	17,886	− 2,537	−12.4
1962	113.0	20,191	+1,822	+ 9.9	106.4	19,012	+ 1,126	+ 6.3
1963	131.5	23,496	+3,305	+16.4	125.4	22,406	+ 3,394	+17.9
1964	155.0	27,695	+4,199	+17.9	150.9	26,963	+ 4,557	+20.3
1965	n.a.	n.a.	—	—	169.3	30,251	+ 3,288	+12.2
			C. *The Motor Vehicle Industries (Motor Vehicles and Parts and Accessories, Combined)*					
1959	106.4	48,656			104.8	47,919		
1960	104.0	47,556	−1,100	− 2.3	117.3	53,618	+ 5,699	+11.9
1961	100.9	46,133	−1,423	− 3.0	103.3	47,238	− 6,380	−11.9
1962	109.6	50,128	+3,995	+ 8.6	108.1	29,422	+ 2,184	+ 4.6
1963	126.1	57,638	+7,510	+15.1	122.9	56,186	+ 6,764	+13.7
1964	145.4	66,487	+8,849	+15.3	146.4	66,925	+10,739	+19.1
1965	n.a.	n.a.	—	—	164.4	75,170	+ 8,245	+12.3

[1]Employment aggregates based on monthly employment and payroll surveys designed primarily to construct employment indexes.

TARA, ONT.—CENTENNIAL PROJECT GRANT

Question No. 624—**Mr. Loney:**

Has an application been received for a Centennial Project Grant from the Municipality of Tara, Bruce County, Ontario?

Hon. Maurice Lamontagne (Secretary of State): Yes.

CANADIAN PENITENTIARY SERVICE—SALARIES

Question No. 629—**Mr. Coates:**

Has a decision been reached by the government with regard to the salaries of members of the Canadian Penitentiary Service as a result of meetings which were held by members of the Service with officials of the government and, if so, what was that decision?

Hon. G. J. McIlraith (President of the Privy Council): Yes.

The Government has agreed, at the request of the Civil Service Association of Canada to have an independent job evaluation study carried out with regard to the various positions in the Penitentiaries Service. This study will be carried out with the help of outside consultants. Salary levels for different categories of employment will be reviewed on the basis of this job evaluation study, and any changes which the Government decides, as a consequence of such study, to make from salary levels already announced will be given retroactive effect to April 1, 1964.

QUESTIONS PASSED AS ORDERS FOR RETURNS

ROYAL COMMISSIONS

Question No. 4—**Mr. Coates:**

1. How many royal commissions have been initiated since April 8, 1963, and what are the subject matters of the commissions in question?
2. What has been the total cost to date for each of the aforementioned commissions and what is the estimated total cost of each commission?
3. How many inquiries have been initiated since April 8, 1963, that do not have the status of royal commissions but have demanded the appointment of individuals outside the civil service commission and what is the subject matter of each?
4. What has been the cost to date of the inquiries in question and what is the estimated final cost of each?

Return tabled.

Motions for Papers

ARCHITECTURAL AND ENGINEERING CONSULTANTS, EXPO '67

Question No. 461—**Mr. More:**

1. Does Expo '67 employ consulting architectural firms and, if so (a) what are the names and addresses of such firms, and (b) what are the projects on which each firm is engaged?

2. Does Expo '67 employ consulting engineering firms and, if so (a) what are the names and addresse of such firms, and (b) what are the projects on which each firm is engaged?

Return tabled.

ASSISTANCE IN SETTLING CANADAIR STRIKE

Question No. 547—**Mr. Coates:**

1. What action has the federal government taken to assist in the settlement of the strike at Canadair, Montreal, Quebec?

2. Have firms holding sub-contracts on government work with Canadair had to effect lay-offs and, if so, what action is being taken to assist the companies in question?

Return tabled.

MOTIONS FOR PAPERS

Mr. J. B. Stewart (Parliamentary Secretary of State): Mr. Speaker, motion No. 42 is acceptable to the Government. I understand that motion No. 37 is to be withdrawn. I ask that notices of motion Nos. 41 and 43 be called. I ask that notices of motion Nos. 32 and 39 be allowed to stand.

MÉGANTIC, QUEBEC—MAIL CONTRACTS

Motion No. 37—**Mr. Langlois:**

That an Order of the House do issue for a return with regard to the mail contracts award in Mégantic County showing (a) the names of the tenderers (b) the expiry date of said contracts (c) the amount of each contract.

Order discharged and motion withdrawn.

CORRESPONDENCE FROM GARTER KING OF ARMS RESPECTING FLAG

Motion No. 41—**Mr. Coates:**

That an Order of the House do issue for a copy of any letter or correspondence received by the government from the Garter King of Arms prior to the adoption of the new Canadian flag, January 28, 1965.

Right Hon. L. B. Pearson (Prime Minister): In the absence of the mover could this motion be allowed to stand?

Mr. Speaker: Is it agreed that this motion stand?

Some hon. Members: Agreed.

Motion stands.

[Mr. Coates.]

COAT OF ARMS ON SOCIAL INSURANCE CARD

Motion No. 42—**Mr. Diefenbaker:**

That an Order of the House do issue for a copy of all letters and/or other communications received by the Minister of Labour or other Ministers of the Government in which objection has been taken to the Canadian Coat of Arms on the social insurance number card and/or requesting that the Maple Leaf as it appears on the flag be substituted therefore.

Motion agreed to.

IMPORT DUTIES INCURRED BY E. J. BENSON

Motion No. 43—**Mr. Nasserden:**

That an Order of the House do issue for a copy of all correspondence, official notices, and other relevant documents since April 30, 1965, relating to custom duties incurred by Mr. E. J. Benson, 119 McMichael St., Kingston, Ontario, on any goods imported by him into Canada.

Hon. E. J. Benson (Minister of National Revenue): In view of the fact that I have already provided the hon. Member and the House with more information than is required in the motion, and in view of its implication with regard to the privilege attaching to correspondence between my Department and individual taxpayers, I respectfully request that the hon. Member withdraw this motion.

Mr. E. Nasserden (Rosthern): I was quite surprised when I first brought this motion forward that the Minister should have asked me to withdraw it before it appeared on the order paper. The answers which have been given in the House so far do not engage those aspects of the matter in which I was interested; therefore I should like the motion to be proceeded with.

Some hon. Members: Shame.

Mr. Speaker: The Chair would like to point out that an explanation of this matter was given the other day by the hon. Minister and unless the hon. Member has other information it does seem that there is no further information to give. Of course the Chair is in the hands of the House.

Do I understand that the hon. Member would like to withdraw the motion now?

Mr. Nasserden: No, Mr. Speaker.

Mr. Grégoire: Shame.

Some hon. Members: No seconder.

Mr. Speaker: Is there a seconder to this motion? There being no seconder the motion cannot be put to the House and will be withdrawn.

Order discharged and motion withdrawn.

THE CANADIAN ECONOMY

WAR ON POVERTY—EXTENT OF PROVINCIAL CONTROL

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I should like to direct a question to the Minister of Forestry. It arises out of an article which appeared in *Le Devoir* of June 7 and a report of the hon. gentleman's speech. Is it correct that the so-called war on poverty is to be placed under provincial control at the insistence of the Premier of Quebec, as reported in that statement and in that article, which is accompanied by a picture showing the smiling faces of the Minister of Justice, the Minister of Forestry and the Postmaster General?

Hon. Maurice Sauvé (Minister of Forestry): That picture was a very good picture of a most successful meeting. I think I explained yesterday that there was some difference between the text I delivered and the headlines in the papers.

Mr. Diefenbaker: I ask simply this. Is the program in connection with the project in question to be given exclusively to the provinces to look after, and was this decided at the request of the Premier of Quebec? That is the question.

Mr. Sauvé: No, Mr. Speaker.

STEPS TO MEET REPORTED INCREASE IN COST OF LIVING

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): A supplementary question relating to the war on poverty. My question is directed to the Minister of Finance, and is based on an answer given by the Minister in the House yesterday as well as on figures released during the past 48 hours showing a most disquieting rise in the cost of living, notably in relation to food, clothing and housing.

Will the Minister of Finance inform the House whether it is the intention of the Government to take immediate and specific action, thus beginning the war on poverty by alleviating the effects of serious inflation on the millions of Canadians who are living in want and who must pay these higher prices on fixed or shrinking incomes?

Mr. Speaker: Order. This question is very interesting and important but I do not see how the hon. Member can expect a detailed answer on the orders of the day. Perhaps he will put this question on the order paper.

Mr. Grafftey: I sought to circumvent that possibility by asking whether any specific action was contemplated. However, in view of the lack of information both yesterday and today this question must be debated at ten o'clock.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I put the question in these terms. With reference to the statement made by the Minister of Finance yesterday to the effect that in the past 12 months the cost of living has risen 2.2 per cent, and in view of the fact that the report of the Economic Council says that a 2 per cent annual increase is the maximum that should be allowed, I want to ask the Minister of Finance whether the Government has any plans to deal with the situation in the event that this trend continues beyond the danger point, which it has already passed.

An hon. Member: That is the same question.

Hon. Walter L. Gordon (Minister of Finance): In the first place, Mr. Speaker, I think I should say a word about one or two—

Some hon. Members: Order.

Mr. Gordon: —of the hon. gentleman's comments.

Mr. Speaker: Order, please. It does seem, in fairness, that if the question of the hon. Member for Brome-Missisquoi is to be placed on the order paper perhaps—the second so-called supplementary is just an elaboration of the first question—then perhaps the hon. Member for Burnaby-Coquitlam would also put his question on the order paper.

Mr. Douglas: On a point of order, Mr. Speaker, I am not asking the Minister for any detailed information at all; I am asking him simply whether the Government has any plans to cope with this problem if the present rising trend in the cost of living continues beyond the danger point. All the Minister has to say is yes or no.

Mr. Gordon: Mr. Speaker, in view of the comments and speeches that have already been made on this subject I think I should perhaps make a remark or two. In the first place, the Economic Council to my knowledge have never suggested that any particular increase in the cost of living or in prices was desirable. They did suggest in their review that in working out their model they had arbitrarily taken into account an average increase of 2 per cent.

I certainly cannot agree with my hon. friend that the increase in prices to date has reached the danger point, to use one of his rather excitable phrases, if I may say so. This question of the state of the economy, including the question of prices, is under very considerable and continuous study by the Department of Finance. I received a very long memorandum on this subject last night, and I can assure my hon. friend and the right hon. Leader of the Opposition that conditions are not nearly as bad as they have tried to let on.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, in view of the fact that the hon. gentleman saw fit to bring me into this may I ask him this question. Did he read the observations of the Canadian Manufacturers' Association and does he disagree with them, as he disagrees with the views of Mr. Kierans?

Mr. Gordon: Mr. Speaker, I do not know what the tail to that remark implies, but I am in a position to reassure my right hon. friend that conditions this year have been very good indeed and that the prospects look very good. If when the opportunity arises, when the next supply motion is before the House, he would care to make a motion to this effect, I would be very glad to debate the situation with him.

Mr. Jack McIntosh (Swift Current-Maple Creek): On a question of privilege—

Mr. Douglas: Mr. Speaker, in view of—

Mr. Speaker: Order. The hon. Member for Swift Current-Maple Creek has risen on a question of privilege.

Mr. McIntosh: Mr. Speaker, when the hon. Member for Burnaby-Coquitlam rose and asked his question you said it should be put on the order paper, but you allowed the Minister to rise and make a long-winded speech. Today we have 30 minutes in which to ask questions; many of the backbenchers have questions to ask, and this is not fair to them.

Mr. Speaker: I understand the purpose of the interjection very well. It was precisely for the reason of the lack of time during this half hour period that I did try to suggest that this question be put on the order paper. Perhaps it is the heat under which we are labouring, and we will now try to make more progress.

[Mr. Gordon.]

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, a supplementary question to the Minister of Finance. The Minister indicated that he had received a memorandum from his officials on the rise in the consumer price index. Can he state whether that memorandum indicates that we are to expect further rises in prices, or does he himself expect or foresee such further rises?

Mr. Gordon: Mr. Speaker, perhaps we might leave this question until we have an opportunity to debate the subject.

Some hon. Members: Oh, oh.

[*Later:*]

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I had intended to ask this supplementary question of the Minister of Finance following a question asked about the cost of living; however, in view of the fact that on another occasion the Minister replied to the hon. Member for Burnaby-Coquitlam that the increase in the cost of living means nothing to the ordinary man, will he now indicate whether he is still of this opinion, in spite of the fact that the recent cost of living increase has more than wiped out any tax benefit?

Mr. Gordon: Mr. Speaker, I have never said any such thing.

Mr. MacInnis: Mr. Speaker, on a question of privilege—

Some hon. Members: Order.

Mr. MacInnis: I fully intend on another occasion to bring forward a copy of *Hansard* to prove that the Minister of Finance did make that statement.

Mr. Gordon: Go ahead and do that.

EXTERNAL AFFAIRS

INQUIRY AS TO INCREASE IN FOREIGN AID PROGRAM

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is to the Secretary of State for External Affairs. In view of the fact that yesterday the Minister stated to the Canadian Manufacturers' Association that Canada's foreign aid program is far below that of other major countries in the world and that it should be at least double what it is now, up to approximately 1 per cent of our g.n.p., could the Minister tell us whether he was stating Government policy

and if so, does he plan to extend Canada's foreign aid expenditure during this current year?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I was both surprised and perhaps a little chagrined at one of the stories to which my hon. friend directs my attention. I suggest that he read that story together with the text of my statement which appeared in another part of the same newspaper. I did point out, of course, that the Government had considerably improved and augmented the Canadian external aid program, and that it was our objective to take into consideration our capacity to meet future obligations arising in this field.

Mr. Eldon M. Woolliams (Bow River): A supplementary question, Mr. Speaker—

Mr. Speaker: The hon. Member for Royal (Mr. Fairweather).

Mr. Woolliams: I have a supplementary question.

Mr. Gordon L. Fairweather (Royal): I have a supplementary question, too, Mr. Speaker.

Some hon. Members: Hear, hear.

Mr. Fairweather: I could not resist this one, Mr. Speaker. The Minister is quoted in today's *Globe and Mail* as having said:

> Don't quote me as saying that we will or that we should increase our external aid. That would be my opinion if I had an opinion, but as a member of the Government I don't have any opinion.

Some hon. Members: Oh, oh.

Mr. Fairweather: I suggest that the implications of this are serious for the country and for the world; and is it the Minister's opinion that he has been misquoted?

Mr. Diefenbaker: Or was it confession?

Mr. Martin (Essex East): Mr. Speaker, I am glad this question has been asked by an industrious but relatively new Member of this House.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): This gives me the opportunity to give him advice which I am going to follow myself in this instance. It is advice that is supposed to have been given by the Earl of Shaftesbury when in the government, and it is "Never take issue with the chroniclers of the day".

Some hon. Members: Oh, oh.

Mr. Diefenbaker: So it was confession.

Inquiries of the Ministry

WATER LEVELS

QUEBEC—LETTER RESPECTING RAIN MAKING OPERATIONS

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to put a question to the Minister of Transport.

Can he tell us today whether he has received a letter from the vice president of Weather Engineering Co.? Can he tell us also since when has he been expecting that letter?

[*English*]

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, if over the noise in the House I heard the hon. gentleman correctly, he asked me whether I had yet received a letter from the vice president of Weather Engineering. The answer is no, and I am quite surprised that that gentleman did not keep the promise that he gave to me.

Mr. Gerald A. Regan (Halifax): A supplementary question to the Minister of National Defence on the subject that has been raised by the hon. Member. In view of the large number of Air Force planes that went over at noon, and the fact that a badly needed and very heavy rainfall has now started in Ottawa, would the Minister indicate whether they were seeding the clouds at noon?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, they were not seeding the clouds, but this gives me an opportunity to say that they were rehearsing for the first Canadian Armed Forces Day that will be held here commencing at 10.30 a.m. this Saturday.

Some hon. Members: Order.

Hon. Michael Starr (Ontario): Mr. Speaker, only half an hour is allowed for the question period today, and the Minister in answering a somewhat planted question is getting up to make a long statement—

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

Mr. Starr: —and deprive the backbenchers of their opportunity to ask questions.

Mr. Speaker: The half hour question period started at 3.10 and will be over at 3.40. May I urge hon. Members to ask their questions quickly and in as few words as possible.

Inquiries of the Ministry

NATIONAL DEFENCE

EFFECTIVENESS OF NEW ANTI-SUBMARINE DESTROYERS

On the orders of the day:

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, I should like to address a question to the Minister of National Defence. The question is based on an editorial appearing in the *Daily Packet and Times* regarding Canada's projected new anti-submarine destroyers. The title of this editorial is "Will our new anti-submarine destroyers be too slow to run and too weak to fight?" Would the Minister like to comment on this?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I am pleased to advise my hon. friend that he has been badly misinformed in this regard. The new destroyer escorts which are planned, together with the heavy helicopters they will carry, will be one of the most effective anti-submarine systems in the world. The anti-submarine helicopters are very fast and well equipped. They have worked out a technique which is unique in the western world, and in combination with the weapons system employed will probably be paramount among anti-submarine systems. I can assure my hon. friend that he should take this message back to the paper to which he referred.

TRANSPORT

DELAY IN MOVEMENT OF GRAIN FROM WESTERN CANADA

On the orders of the day:

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, I have a question I should like to direct to the Minister of Trade and Commerce. My question is based on many current complaints and newspaper stories respecting the slow movement of grain out of western Canada and particularly southeastern Saskatchewan. Can the Minister say whether the Canadian Wheat Board is getting the proper co-operation from the C.P.R. and the C.N.R. in moving grain out of these congested areas?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, as I said in reply to a question recently, the main problem has been that Canadian Pacific Railway did not start moving grain to the Lakehead as early as the Board would have wished. Consequently quotas at delivery points in southeastern Saskatchewan along the C.P.R. route to the Lakehead are not as high as they should be for this time of year. However, I am happy to say there has been a notable improvement in recent days, and if the C.P.R. continues to haul grain to the Lakehead at the rate it has been doing over the last few days the Wheat Board expects that the quotas will be equalized at a higher level at the end of the year.

Mr. Jack McIntosh (Swift Current-Maple Creek): I have a supplementary question for the Minister of Trade and Commerce. According to the Wheat Board's statement on quota distributions it is to be noted that the provinces are now on a six bushel quota whereas last year most provinces were on an eight bushel quota. The Minister mentioned the southeastern part of Saskatchewan. Does this answer apply to the question which I asked as to why the provinces were two bushels per point ahead last year compared to this year?

Mr. Sharp: Mr. Speaker, I think I should take that as notice.

ADMINISTRATION OF JUSTICE

DORION COMMISSION—INQUIRY AS TO REPORT

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I have a question for the Minister of Justice. It is rumoured that the Dorion report is now in the hands of the Government. I am wondering whether the Minister would care to confirm that. Second, in view of the fact that the report is either in the hands of the Government or about to come into the hands of the Government, could he give the House a report on the very interesting escape of Rivard?

Mr. Speaker: The hon. Member for Kootenay West.

Mr. Woolliams: Then I will put the question to the Prime Minister. Is it a fact that the Dorion report is now in the hands of the Government?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker.

HOUSE OF COMMONS

CONSIDERATION OF STAFF BOARD REPORT ON STAFF

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the

appropriate Minister, of which I failed to give you notice. Can the appropriate Minister inform the House when action is going to be taken to implement the Civil Service survey or report intended to improve the economic circumstances of employees of this House?

Hon. G. J. McIlraith (President of the Privy Council): Mr. Speaker, assuming that the hon. Member is referring to the staff board report rather than the Civil Service report, the answer is tomorrow.

EXTERNAL AFFAIRS

SOUTH VIET NAM—PARTICIPATION BY CANADIAN TROOPS

On the orders of the day:

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, I have a question for the Secretary of State for External Affairs.

Since the President of the United States has just announced that he is ready to send troops to Viet Nam if the generals of the South Vietnamese army request them, and since Australia and New Zealand have sent contingents to South Viet Nam, has the Canadian government consulted in that connection or did it offer any military assistance to South Viet Nam?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the answer is no.

[*English*]

DISCUSSION OF NUCLEAR ARMS AGREEMENT WITH INDIAN PRIME MINISTER

On the orders of the day:

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, I have a question for the Prime Minister. Does the Prime Minister intend to discuss an international agreement which is designed to prevent the further spread of nuclear arms in his forthcoming talks with Prime Minister Shastri of India?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I think in discussing international affairs with the Prime Minister of India, whom we are welcoming tomorrow, this is certainly one subject which will come up.

Mr. Martineau: A supplementary question. Has any draft of any such proposed agreement been brought to the attention of the Prime Minister, or has he himself brought any such draft agreement to the attention of Prime Minister Shastri?

Mr. Pearson: Mr. Speaker, we have been considering draft agreements on this subject, but I am not in a position to say whether any particular draft will be considered tomorrow.

FISHERIES

NORTH ATLANTIC COMMISSION—CONSIDERATION OF SALMON CONSERVATION

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I should like to direct a question to the attention of the Minister of Fisheries. Last year the Danes increased their catch of salmon on the Greenland coast from 200 tons to 1,200 tons, among which were found tagged salmon from Nova Scotia, New Brunswick and Newfoundland. As the International Commission on the North Atlantic Fisheries is presently meeting in Halifax and it is my understanding that the question of the conservation of our salmon resources is not on the agenda, would the Minister impress upon the conference the importance of discussing and attempting to resolve this problem, which is of vital importance to our inshore fishermen and to our tourist industry?

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, in reply to the hon. Member I first wish to mention that I believe he is misinformed when he says that the problem of salmon being caught in Greenland waters is not on the agenda. As a matter of fact I arrived back from Halifax yesterday and the matter is being brought up at the annual meeting of ICNAF which is now taking place. Furthermore, I wish to state that this situation is of serious concern not only to Canada but to other countries which are interested in this fishery. The matter is more complicated because a proportion of the catch is being caught in what could be considered as Greenland territorial waters.

DOMINION-PROVINCIAL RELATIONS

QUEBEC—ADDRESS TO HER MAJESTY RESPECTING PROVINCIAL CONSTITUTION

On the orders of the day:

[*Translation*]

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

Can he tell the House if he did state yesterday that the Address to Her Majesty the

Queen adopted by the Quebec Legislative Assembly with regard to limiting the powers of the Legislative Council is unconstitutional?

[*English*]

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker, I made no such statement.

[*Later:*]

[*Translation*]

Mr. Pigeon: Mr. Speaker, I should like to direct a supplementary question to the right hon. Prime Minister in connection with the question I have already asked him.

Did he receive an official protest from the Legislative Council of the Province of Quebec in connection with the petition forwarded by the Quebec Legislature to the federal government to amend the powers of the Legislative Council?

[*English*]

Mr. Pearson: Mr. Speaker, I have received no such communication.

TRADE

WHEAT—ANNOUNCEMENT OF SALE TO POLAND

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to ask the Minister of Trade and Commerce whether reports that the Canadian Wheat Board has completed another sale to Poland are true. I would also ask him whether any flour was included in this latest sale, if one has been made.

Hon. Mitchell Sharp (Minister of Trade and Commerce): Yes, Mr. Speaker, I can confirm that the Canadian Wheat Board has in the last few days sold another 300,000 metric tons of wheat for shipment to Poland. The sales totalling 11 million bushels will be moved through east and west coast ports. I regret to say that there is no flour involved in the contract.

[*Later:*]

Mr. Robert Simpson (Churchill): Mr. Speaker, I intended to ask a supplementary question of the Minister of Trade and Commerce following his reply to the hon. Member for Medicine Hat, but the public address system failed at the time and I did not quite hear the Minister's answer. Did I understand the Minister to say that in respect of the new sale of wheat to Poland, shipments would be made through eastern and western ports? If that is accurate, can the Minister say whether any of these shipments will be made through the Port of Churchill?

Mr. Sharp: No, Mr. Speaker, but I understand that the program for the shipment of wheat through Churchill will be at a very high level this year.

Mr. Simpson: I have a supplementary question. At this stage last year the report was made that there would be a record shipment season at Churchill and, as the Minister knows, the shipments last season dropped by some 1,500,000 bushels. In view of the fact that the Canadian Wheat Board report shows once again that substantial savings were made as a result of shipments of grain through Churchill, can the Minister indicate whether this has been pointed out to the purchasers from Poland?

Mr. Sharp: Yes, Mr. Speaker, the great virtues of the Port of Churchill, which have been expounded by my hon. friend, are well known throughout the world, and particularly to the Wheat Board which does everything possible to encourage buyers to take wheat from that port. This year it is fully expected there will be a high level of shipment through that port, and it is hoped it will be a record year.

AGRICULTURE

INQUIRY AS TO PAYMENTS UNDER NEW DAIRY POLICY

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I should like to ask a question of the Minister of Agriculture. I would ask the minister whether he is in a position to tell the House when the farmers will be receiving their first cheques under the new dairy policy recently announced. Will it be in July?

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, considerable work is required to collect the necessary information; some 200,000 farmers across Canada are involved. However, we are hoping that the initial payments can go out as early as July.

PROHIBITION OF EXPORT OF HORSES FOR SLAUGHTERING

On the orders of the day:

Mr. R. A. Webb (Hastings-Frontenac): Mr. Speaker, I should like to direct my question to the Minister of Agriculture. Because of representations made by the Humane Society

of Canada, has the Minister taken the necessary steps to introduce legislation to prohibit the shipping of horses—that is, horses of less than a certain value—to other countries for slaughtering purposes, thereby assuring that these animals will have a humane end in Canada and that the horse meat can then be exported from Canada?

Mr. Speaker: That is obviously a question for the order paper.

Mr. Webb: Mr. Speaker, on a point of order. For days and days on end hon. Members have asked questions—

Some hon. Members: Order.

Mr. Speaker: Order, please.

Mr. Webb: Hon. Members have asked questions regarding the killing of seals—

Some hon. Members: Order.

Mr. Speaker: Order, please. There does seem to be an electric atmosphere in the House this afternoon.

QUEBEC—COST OF PRODUCTION OF LIVESTOCK

On the orders of the day:

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to direct a question to the Minister of Agriculture.

On April 9 last I put on the order paper a question bearing No. 137 in which I asked the Minister of Agriculture to tell us the approximate cost of producing and marketing six cows and two sows which, according to one of his statements, brought a revenue of $2,816.

Now, the minister has just answered me with these figures: lower third, $13.10; median third $18.02 and upper third $25.44. And that is the cost of producing six cows and two sows. Could the Minister give me more detailed information than what he has supplied to me in writing today?

[*English*]

Hon. Harry W. Hays (Minister of Agriculture): No, Mr. Speaker. I am sure if the hon. Member goes out, observes the conditions and does a little multiplication, he will then have satisfactory information in this regard.

FEED GRAIN—REQUEST FOR EASTERN MARKETING BOARD

On the orders of the day:

[*Translation*]

Mr. Clément Vincent (Nicolet-Yamaska): Mr. Speaker, I should like to direct a question to the Minister of Forestry.

In view of the fact that the Prime Minister announced this afternoon the legislative program until the Summer recess, could the minister tell us whether his department has considered or studied the report of the committee on agriculture and colonization concerning feed grains and more particularly the matter of the establishment of a feed grain agency for eastern Canada, so that the matter could be discussed by the House before next Winter?

Hon. Maurice Sauvé (Minister of Forestry): Mr. Speaker, the officials of the department did study the committee's report and I must point out to the hon. Member that the Prime Minister has announced this afternoon the legislative program for the weeks ahead.

[*English*]

EDUCATION

INQUIRY AS TO INCREASED FEDERAL ASSISTANCE

On the orders of the day:

Mr. Reg Cantelon (Kindersley): Mr. Speaker, I have a question for the Prime Minister which I am prompted to ask by the comments of the Secretary of State with respect to external aid. Is the Government considering increasing federal aid to higher education in our country, which is now only one sixteenth of one per cent of the gross national product?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, that matter is under consideration. It is a very illuminating question.

NATIONAL EMPLOYMENT SERVICE

PSYCHOLOGICAL EFFECT OF ADVERTISEMENTS

On the orders of the day:

Mr. W. H. A. Thomas (Middlesex West): Mr. Speaker, I should like to direct a question to the Minister of Labour which arises from his answer to a question asked yesterday about the National Employment Service advertising for help in areas where a shortage of help now prevails. Once the fact is established that there is a shortage of help in an area, is it the Minister's intention, or the intention of the unemployment service, to discontinue advertising for help in such an area?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I shall be glad to confirm my impression that advertising will cease just as soon as available workers are placed in jobs that are open.

Inquiries of the Ministry

LABOUR RELATIONS

MONTREAL—FEDERAL INTERVENTION IN LABOUR DISPUTES

On the orders of the day:

[*Translation*]

Mr. Robert Beaulé (Quebec East): Mr. Speaker, I should like to direct a question to the Minister of Labour. In view of the importance of labour disputes in the Montreal region, does the minister propose to intervene in order to facilitate negotiations?

Mr. Georges Valade (Sainte-Marie): Ask Mr. Lesage.

[*English*]

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I regret that I was unable to hear the hon. Member's question, but I will be glad to take it as notice and answer it tomorrow.

DIVORCE

REQUEST FOR ROYAL COMMISSION ON REFORM

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I should like to address a question to the Prime Minister. On April 13 the right hon. gentleman told the House that he was giving consideration to the setting up of a royal commission on divorce reform in Canada. I wonder whether he has now completed his consideration of this question, and whether he can announce when this commission will be set up.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I certainly will have to check what I said on April 13, as I do not recall having made that commitment in those terms. I will be glad to look into the situation.

LABOUR CONDITIONS

INQUIRY AS TO IMPLEMENTATION OF MANPOWER POLICY

On the orders of the day:

Mr. S. J. Enns (Portage-Neepawa): Mr. Speaker, my question is directed to the Minister of Labour, asking him how soon he expects the newly announced manpower program will be implemented. Can the Minister also indicate whether there will be any retroactive feature to this program, perhaps to the time of the Prime Minister's announcement in this House?

[Mr. MacEachen.]

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, it is not intended that there will be a retroactive feature to this program. The Prime Minister indicated that we hoped to deal with this particular program during this part of the session. As soon as staff and administration arrangements can be made, the program will be put into effect.

QUEBEC—DELAY IN PAYMENT OF WINTER CONSTRUCTION BONUS

On the orders of the day:

[*Translation*]

Mr. Lucien Plourde (Quebec West): Mr. Speaker, I should like to direct my question to the Minister of Labour.

Could the minister expedite the matter of paying the $500 promised to owners of homes built in wintertime since up to now, in the Quebec region, only 25 per cent of the owners received that bonus.

[*English*]

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, an extension to this particular program requires additional authority from Parliament, and just as soon as the House can deal with the supplementary estimates which have to be brought forward we will be able to make these payments. I hope that will be possible very soon.

NORTHERN AFFAIRS

EXTENSION OF FRANCHISE IN NORTHWEST TERRITORIES

On the orders of the day:

Mr. Gene Rhéaume (Northwest Territories): Mr. Speaker, my question is directed to the Prime Minister. Is there any chance that the Government will consider including in its legislative priorities to be dealt with before the recess the minor amendments to the Northwest Territories Act? I am sure these would receive unanimous agreement in the House, thus allowing everyone in the Northwest Territories the right to vote in forthcoming territorial elections?

Right Hon. L. B. Pearson (Prime Minister): I will be glad to look into that matter, Mr. Speaker.

PENSIONS

LEGISLATION RESPECTING SUPERVISION OF PRIVATE PLANS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct

a question to the Minister of Finance. In view of the fact that both Ontario and Quebec, and perhaps other provinces, have made public the details of their legislation to provide for the regulation of pension plans that come under provincial jurisdiction, would it not be desirable that the legislation at the Federal Government level which the Minister promised last December 18 be put on the order paper?

Hon. Walter L. Gordon (Minister of Finance): I will be glad to discuss this with the Prime Minister, Mr. Speaker, to see whether that can be done.

Mr. Speaker: Orders of the day.

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, on the same point of order originally raised by the hon. Member for Swift Current-Maple Creek, are we as backbenchers to understand that restrictions are placed on us during the half hour question period on Wednesday even though the Minister of National Defence deliberately violated the purpose of this period this afternoon?

Mr. Speaker: It does seem to the Chair that no comment is called for. The hon. Member knows the difficulties involved in conducting public assemblies, and he will have to use his own discretion in reaching his own conclusion.

HOUSE OF COMMONS

AMENDMENT OF STANDING ORDERS RESPECTING CONDUCT OF BUSINESS

The House resumed from Tuesday, June 8, consideration in Committee of the following resolution—Mr. Pearson—Mr. Batten in the Chair:

That the following amendments be made to Standing Orders:

1. That Standing Order 6 be deleted and the following substituted therefor:

Standing Order 6

6. (1) At 6:00 o'clock p.m. on Wednesdays and Fridays and at 10:00 o'clock p.m. on Mondays, Tuesdays and Thursdays, unless provided otherwise in these Standing Orders, Mr. Speaker shall adjourn the House without question put until the next sitting day.

(2) A motion that the House continue to sit after the hour specified in Section (1) may be made at any time without notice. If any member objects to the motion, Mr. Speaker shall request those members who object to rise in their places and if ten or more members then rise, the question shall not be put on the motion. If no member objects or if fewer than ten members rise in their places, the motion shall be deemed to be carried. No debate or formal vote shall be held on such a motion to extend a sitting. An extended sitting under the provisions of this Section, unless a closing time has been specified, shall not be terminated except by the adoption of a motion to adjourn and Mr. Speaker shall not deem that a motion to adjourn the House has been made by virtue of the operation of any other Standing Order.

(3) If any member objects to the taking of a vote at any time between 1:00 o'clock p.m. and 2:30 o'clock p.m. or between 6:00 o'clock p.m. and 8:00 o'clock p.m., Mr. Speaker shall request those members who object to rise in their places and if five or more members rise, the taking of the vote shall be postponed until after 2:30 o'clock p.m. or until after 8:00 o'clock p.m. as the case may be.

(4) When it is provided in any Standing Order or in any order of the House that the business under consideration at the ordinary time of adjournment be forthwith disposed of or concluded, Mr. Speaker shall not adjourn the House until the specified proceedings be completed.

2. That Section (1) of Standing Order 12 be amended to read as follows:

Standing Order 12, Section (1)

12. (1) Mr. Speaker shall preserve order and decorum, and shall decide questions of order. In explaining a point of order or practice, he shall state the standing order or authority applicable to the case. No debate shall be permitted on any such decision, nor shall any such decision be subject to an appeal to the House.

3. That Sections (3) and (4) of Standing Order 15 be amended to read as follows:

Standing Order 15, Sections (3) and (4)

15. (3) Except as otherwise provided in these Standing Orders, the order of business for the consideration of the House, day-by-day, after the daily routine shall be as follows:

(Monday)

Questions.
Government orders.
(From six to seven o'clock p.m.—Private Members' Business)
Notices of Motions.

(Tuesday)

Government orders.
Questions.
(From six to seven o'clock p.m.—Private Members' Business)
Private bills.
Public bills.

(Wednesday)

Questions.
Notices of motions for the production of papers.
Government orders.
(From five to six o'clock p.m.—Private Members' Business)
Notices of motions.
Public bills.

(Thursday)

Government orders.
Questions.
(From six to seven o'clock p.m.—Private Members' Business)

A. On the first and each alternate Thursday thereafter:
Notices of motions (papers).
Private bills.
Public bills.

B. On the second and each alternate Thursday thereafter:
Private bills.
Notices of motions (papers).
Public bills.

(*Friday*)

Government orders.
Questions.
(*From five to six o'clock p.m.—Private Members' Business*)
Public bills.
Private bills.

(4) When a debate on a motion "That Mr. Speaker do now leave the Chair" for the House to go into Committee of Supply is in progress at 6:00 o'clock p.m. on either a Monday or a Tuesday, the order for Private Members' Business on that day shall be suspended.

4. That Section (2) of Standing Order 31 be amended to read as follows:

Standing Order 31, Section (2)

31. (2) When the business of Private Members is being considered, no member shall speak for more than twenty minutes at a time.

5. That Section (5) of Standing Order 39 be enacted to read as follows:

Standing Order 39, Section (5)

39. (5) Before the Orders of the Day are proceeded with, questions on matters of urgency may be addressed orally to Ministers of the Crown, provided however that if in the opinion of Mr. Speaker a question is not urgent, he may direct that it be placed on the Order Paper, provided also that the time allowed for a question period prior to the calling of the Orders of the Day shall not exceed thirty minutes.

A member who is not satisfied with the answer given to a question asked an any day at this stage, or a member who has been told by Mr. Speaker that his question is not urgent, may give notice that he intends to raise the subject-matter of his question on the adjournment of the House. The notice referred to herein, whether or not it is given orally during the question period before the Orders of the Day, must be given in writting to Mr. Speaker not later than 5:00 o'clock p.m. the same day.

6. That the Standing Orders be amended by adding thereto a new Standing Order 41-A, to read as follows:

Standing Order 41-A

41-A. Unless notice of motion has been given under Standing Order 41, any member proposing to raise a question of privilege other than one arising out of proceedings in the Chamber during the course of a sitting shall give to the Speaker a written statement of the question at least one hour prior to raising the question in the House.

7. That Standing Order 43 be amended by adding thereto a new Section (2), to read as follows:

Standing Order 43, Section (2)

43. (2) When debate on any motion made under Standing Order 15 (2) is adjourned or interrupted, the order for resumption of the same shall be transferred to and considered under Government Orders.

[Mr. Speaker.]

8. That Standing Order 44 be amended to read as follows:

Standing Order 44

44. When a question is under debate no motion is received unless to amend it; to postpone it to a day certain; for the previous question; for reading the orders of the day; for proceeding to another order; to adjourn the debate; to extend the sitting of the House; or for the adjournment of the House.

9. That Section (4) of Standing Order 59 be amended to read as follows:

Standing Order 59, Section (4)

59. (4) The Chairman shall maintain order in the Committees of the Whole House, deciding all questions of order subject to an appeal to Mr. Speaker; but disorder in a committee can only be censured by the House, on receiving a report thereof. No debate shall be permitted on any decision.

10. That Standing Order 65 be amended to read as follows:

Standing Order 65

65. (1) At the commencement of each session, a special committee, consisting of seven members, shall be appointed, whose duty it shall be to prepare and report, with all convenient speed, lists of members to compose the following standing committees of the House:

(*a*) on Agriculture, Forestry, and Rural Development, to consist of 45 members;
(*b*) on Broadcasting, Films and Assistance to the Arts, to consist of 22 members;
(*c*) on Crown Corporations, to consist of 22 members;
(*d*) on External Affairs, to consist of 22 members;
(*e*) on Finance, Trade and Economic Affairs, to consist of 22 members;
(*f*) on Fisheries, to consist of 22 members;
(*g*) on Health and Welfare, to consist of 22 members;
(*h*) on Housing, Urban Development and Public Works, to consist of 22 members;
(*i*) on Human Rights and Citizenship and Immigration, to consist of 22 members;
(*j*) on Industry, Research and Energy Development, to consist of 22 members;
(*k*) on Justice and Legal Affairs, to consist of 22 members;
(*l*) on Labour and Employment, to consist of 22 members;
(*m*) on Miscellaneous Estimates, to consist of 22 members;
(*n*) on Miscellaneous Private Bills, to consist of 22 members;
(*o*) on National Defence, to consist of 22 members;
(*p*) on Northern Affairs and National Resources, to consist of 22 members;
(*q*) on Privileges and Elections, to consist of 22 members;
(*r*) on Public Accounts, to consist of 24 members;
(*s*) on Standing Orders, to consist of 22 members;
(*t*) on Transport and Communications, to consist of 22 members; and
(*u*) on Veterans Affairs, to consist of 22 members.

(2) The Special Committee shall also prepare and report with all convenient speed, lists of members to compose the following standing committees:

on Printing, to act as members on the part of this House on the Joint Committee of both Houses on the subject of the printing of Parliament, to consist of 23 members;

on the Library of Parliament, so far as the interests of this House are concerned, and to act as members of the Joint Committee of both Houses to consist of 21 members;

provided that a sufficient number of members of joint committees shall be appointed so as to keep the same proportion in such committees as between the memberships of the House of Commons and Senate.

(3) A majority of the members of a standing committee shall constitute a quorum unless the House otherwise orders;

Provided that, in the case of a joint committee, the number of members constituting a quorum shall be such as the House of Commons acting in consultation with the Senate may determine.

(4) The Standing Committees shall be severally empowered to examine and enquire into all such matters and things as may be referred to them by the House; to report from time to time their observations and opinions hereon; to send for persons, papers and records; and to print, from day-to-day, such papers and evidence as may be ordered by them, and Standing Order 66 shall not apply in relation thereto.

(5) Any member of the House of Commons who is not a member of a standing committee, may unless the House or the standing committee otherwise orders, take part in the deliberations of the standing committee, but shall not vote or move any motion or any amendment or be counted in the quorum.

11. That Standing Order 99 be amended to read as follows:

Standing Order 99

99. No Bill for the incorporation of a railway or canal company, or for authorizing the construction of branch lines or extensions of existing lines of railways or of canals, or for changing the route of the railway or of the canal of any company already incorporated, shall be considered by the Committee on Transport and Communications, until there has been filed with the committee, at least one week before the consideration of the bill, a map or plan drawn upon a scale of not less than half an inch to the mile, showing the location upon which it is intended to construct the proposed work, and showing also the lines of existing or authorized works of a similar character within, or in any way affecting the district, or any part thereof, which the proposed work is intended to serve; and such map or plan shall be signed by the engineer or other person making the same.

12. That Standing Order 105 be amended to read as follows:

Standing Order 105

105. Every private bill, when read a second time, is referred to one of the standing committees as follows: bills relating to banks, insurance, trade and commerce and to trust and loan companies, to the Committee on Finance, Trade and Economic Affairs; bills relating to railways, canals, telegraphs, canal and railway bridges, to the Committee on Transport and Communications; the bills not coming under these classes, to the Committee on Miscellaneous Private Bills, and all petitions for or against the bills are considered as referred to such committee.

The Deputy Chairman: Order. When the Committee rose last night an amendment proposed by the hon. Member for Lapointe was being considered. This amendment reads as follows:

That all the words after the word "decision" in line 4 of the proposed Standing Order 12, subclause 1, be deleted.

Is the Committee ready for the question?

● (3:50 p.m.)

[*Translation*]

Mr. Gauthier: Mr. Chairman, there are a few comments I should like to make concerning resolution 15, and especially with regard to section 2, in support of the amendment moved yesterday by the hon. member for Lapointe (Mr. Grégoire).

Mr. Chairman, before the house is called upon to vote on this amendment, I suggest that all members should examine carefully the provisions contained in section 2 of the said resolution, the purpose of which is to eliminate the right of appeal from rulings made by the Speaker.

If we had a permanent Speaker, we would be the first to vote in favour of section 2. But I would point out to the house that we are still governed by old principles. That is to say, the Speaker of this house does not hold a permanent post but is selected by a political party from among its own members and, consequently, he will often be inclined to go along with his party before considering an issue peculiar to a given area or group.

That is why we say it is not desirable at present to adopt the provisions of paragraph 2 of resolution 15, so long as we shall not have a permanent Speaker.

Mr. Chairman, we are told we should not question the honesty of a Speaker. I for one try not to have doubts about the honesty of the Speaker, but he has to be settled in his job and protected so that his honesty be preserved. I maintain that at the present time it is almost humanly impossible for a Speaker, considering the way he is appointed, to preserve his honesty a hundred per cent.

Mr. Chairman, they must not take us for mugs. When a man is elected within his party, when he is chosen by a party for the Speakership, it is logical, it is human—you cannot fool us, we were not born yesterday —he will always be inclined to go along with his party.

As for his impartiality, we wonder if he is well conditioned to be truly impartial. I realize that the present Speaker and his deputy—whom I wish to congratulate—endeavour by all possible means to be fair, but on some occasions, the impartiality of a Speaker does not simply depend on his will;

it can depend on external causes or still it can be due to a lack of knowledge of a question or its circumstances.

In fact, many things must be taken into consideration. The Speaker must be acquainted with the matter. For example, there is the case of the rain-making operations in the Saguenay-Lake St. John area. Many problems with which the Speaker is not familiar may crop up.

That is why we say that, in such a case, the opposition must have the right to appeal from the Speaker's ruling to make him understand the matter. Then it will be up to the house to decide by a vote whether it should maintain or reverse that ruling, as the case may be. But as long as this system is in force, we will be unable to accept the changes proposed in resolution No. 15.

Besides, it is also a matter of justice for the opposition parties because that is our only way to protest legally when for some reason or other, which might have nothing to do with the Speaker, efforts are made to prevent us from getting justice. That is the only weapon at the disposal of the third parties to get justice in this house when they are not satisfied with the Speaker's ruling.

It was also suggested that this undermines the Speaker's authority. On the contrary, I think it strengthens it. In fact—and I am always thinking in terms of our present conditions—if we leave full freedom of decision to the Speaker, it simply becomes a dictature, directed against the opposition. Because since the Speaker comes from a party and is selected by a party, he is inclined to follow his party. As long as these conditions prevail, I maintain that the right of appeal from the Speaker's rulings will ensure the fairness and authority of the Chair. Knowing that his rulings can be appealed may cause the Speaker to think twice before making a ruling. In my opinion, far from undermining the Chair's authority, it strengthens it by helping the Speaker to make fair rulings while they might have been not as fair for the various reasons I have given. An appeal from the Speaker's ruling allows the house to consider the whole question with him; then, if the vote taken is in favour of maintaining his ruling, it means that the appeal was not valid; on the other hand, if the Speaker is overruled, justice is done to the opposition parties. Even in that case, the Speaker's authority is confirmed as far as the principles of justice are concerned.

I believe the Speaker is there to uphold the rules of the house, but he must be the first to respect them and he must endeavour not to break them.

I am sure that the knowledge that his decision can be appealed will refresh the Speaker's memory; it is a constant reminder that he, himself, must first of all, observe the rules and then, have the others observe them as well.

Others have claimed that the purpose of this provision is also to make the house more effective. I think that the first reform to make to ensure the effectiveness of the house —and I said something about that at the outset—would merely be to eliminate confidence votes. Then the house would be more effective but it would not be so through the abolition of the right to appeal the Speaker's ruling. Indeed such an appeal can only delay the business of the house for 15 or 20 minutes. If the government had proposed, in its reforms, the abolition of want of confidence votes, which enables the government to pass legislation that the opposition does not like, whenever the latter wants to keep on governing, that would have been more effective. By means of the want of confidence vote, the government forces us, should we want to keep on with the administration of the business of this country without defeating the government, to accept measures that we regard as bad and that we would not want to accept; but not wishing to overthrow the government, thus causing the population a further expense in the tens of millions of dollars, we are forced to accept some of that legislation. In my opinion, resolution No. 15 and the provision relating to appeals against the Speaker's rulings has nothing to do with the efficiency of government.

I would now like to say a few words on paragraph 3 of resolution No. 15 which proposes mealtime sittings.

My motto has always been, Mr. Chairman, that there is a proper time for everything. When it is time to work, one works; when it is time to eat, one eats; when it is time to rest, one rests. I am surprised to see that in order to increase the weekly sitting hours, we shall have to work while eating or to eat while working.

• (4:00 p.m.)

Mr. Chairman, should a manufacturer follow such a rule, he would soon be bankrupt. If, in order to accelerate the business of the house, we must sacrifice our lunch and dinner hours, you will agree with me that we cannot work and eat while sitting here.

To me, this is another gimmick on the part of the government to have the greatest pos-

sible number of members out of the house so as to be able, often, to pass measures they want adopted fast but which deserve discussion. The government would take advantage of the absence of a number of members who would be out to eat. That may not be of great importance for a party with 100 or 120 members, although it should not be so, for it is just another opportunity or reason for a member to be absent for two or three hours during lunch or dinner.

On the other hand, if two or three members of our group are on a delegation, and if two or three of us are out eating, there will not be enough left to call a vote, because we must be at least five for that. If there are not five of us present, the government will do as it pleases. It is intended that we should sit during lunch and dinner, thus removing us from the house at all costs, so as to pass quickly legislation which often affects our localities and in respect of which we shall not have the occasion to defend the interests of our ridings.

Mr. Chairman, I understand that the government wishes to increase the sitting hours, but there are many other ways of doing so without depriving us of our meal hours.

Let us simply take an hour for lunch or dinner, instead of two hours or two hours and a half; let us work in the morning, let us work on Wednesday night. As long as we are in Ottawa, let us have regular working hours, but let us not be deprived of time for meals and rest. I perceive something mean in this amendment to the rules, and I am surprised that not a single member of the opposition should have spoken on this matter. I do not know whether they prefer to skip out for an hour or an hour and a half in order to eat while the house is sitting, but I frankly admit this is very difficult, for I feel that we are here not to let legislation go by without debate, but rather to discuss it. While the house sits, our duty is to be present to debate our problems, to try to pass the reforms put forward by the government and to adopt legislation to the needs of our constituencies.

That is why we should be present in the house instead of resting or eating. The right to eat is sacred and a member could not be blamed for leaving his seat in order to take his meal. That means the government must change its attitude concerning this provision and allow us at least one hour for meals, even though we may have to make up for it on Wednesday nights or in the mornings. No one will convince me that it is impossible to find 40 hours outside of mealtime. Come now. I notice that on the same day, we will take the four hours formerly set aside for meals, and that we will work during mealtime. For me, as for many others, that is nonsensical. Let us decide on other hours, let us shorten the mealtime but let us be allowed to be present when the house sits, without depriving us of our right to three meals a day.

Some hon. Members: The vote.

Mr. Martineau: Mr. Chairman, I have a few comments to make on one of the questions dealt with by the hon. member for Roberval (Mr. Gauthier) who preceded me. It relates to paragraph 3 (1) of the resolution before us.

The previous speaker said that members should not be deprived of their lunch hours. The suggestion surely has merits, but I think it is cause for more concern, not particularly for the inconvenience it would cause to the members themselves—we know they can leave the house whenever they please, although this is not recommended—but to the staff of the house who cannot leave at will; I think that in suggesting sitting during lunch hours, insufficient thought has been given to the staff.

We have in this chamber interpreters, reporters, the clerk and his assistants, not to mention Your Honour, who must remain on duty during our long sitting hours. In my opinion, not only will this proposal affect the personnel, but it is quite inhuman. Labour unions would never allow private enterprise to deprive their members of normal meal hours. And now it is proposed that employees who have an exacting, delicate and very strenuous job to perform should stay at it during long hours and even give up their meal hours.

As I say, such a proposal runs counter to social justice and I have no hesitation in calling it inhuman and antisocial.

Mr. Chairman, if such conditions would not be tolerated within private industry, can the government indulge in the luxury or even have the gall to lay down for its staff labour conditions it would not allow in private industry?

Since the government has the responsibility to implement normal labour standards, and since it would not allow private industry to apply such labour conditions, I appeal specially to it to change its proposal so that every employee of this house can have normal meal hours. It is a fact that one may answer:

Well, hire more staff. However, we must not forget that there are many and real difficulties involved when you want to recruit the qualified employees required for the dispatch of the business of the House.

Mr. Chairman, these remarks apply to every employee of the House, to the interpreters, and to the reporters who accurately report the proceedings of the House. It is a highly specialized work for which the reporters are inadequately paid in comparison with those who do similar work in private industry.

In fact, I know many official court stenographers who receive a much higher salary than those who are now serving in the same capacity in the House of Commons. They are highly qualified employees who seldom make mistakes or blunders.

It is not sufficient to hire other employees. The working conditions must be favourable to find extra personnel.

Up to now, because of the salary offered and especially of the inhuman conditions the staff must accept, the government is unable to hire the required personnel. To show how difficult it is to find qualified personnel for the debates section, especially the French debates section, it could be pointed out that a young stenographer from France had to be employed. We are very happy at the appointment of this young woman, because like the other members of the staff, she performs her work exceptionally well. But the fact that skilled personnel must be recruited abroad shows once again that recruiting is extremely difficult.

Also, if working conditions are going to get even worse, it seems to me that not only will it be impossible to recruit new personnel, but I am very much afraid that the present house staff members will plan to change jobs and go to private industry, because as I indicated a while ago, working conditions in private industry are surely much more attractive.

Mr. Chairman, the provisions of subsection 3 of paragraph 1 of resolution No. 15 are to allow hon. members to leave the House during meal hours because they provide for a suspension, so to speak, of a vote during normal meal hours.

I think that such a provision is discriminatory—

• (4:10 p.m.)

[*English*]

Mr. McIlraith: On a point of order, Mr. Chairman, I wonder what that argument has to do with the amendment to paragraph 2 which is before us.

[Mr. Martineau.]

Mr. Martineau: Mr. Chairman, I will answer the President of the Privy Council very briefly. It is not strictly pertinent to the amendment. The remarks that I have to make will be very, very brief; I have only two or three other points to raise. I believe that in view of the latitude shown by the Chair with regard to the discussion of this amendment we would certainly be able to dispose not only of the amendment but the whole question much more quickly if I were allowed to finish my remarks, instead of having to begin them over again when the amendment has been disposed of. I admit that the President of the Privy Council is right in his remarks, strictly speaking, but if you will be indulgent, Mr. Chairman, I will terminate my remarks as soon as possible.

Mr. Douglas: On the point of order, Mr. Chairman, I do not want to interrupt my hon. friend, and I agree wholeheartedly with what he is saying, but I think it would be advisable if we had some clarification from the Chair as to what the procedure is to be. Are we going to deal with each paragraph, pass it so it is disposed of and finished with, or are we going to roam all over item 15; because that way it seems to me we are going to have a great deal of difficulty. I had understood that what we were going to do today was start with paragraph 2, dispose of it, then revert to paragraph 1 and then go seriatim through each of the paragraphs. It seems to me that only if we do that will we know where we are. I have no objection to the hon. Member finishing his remarks, but I think there should be some clarification with regard to the rest of the debate. Otherwise I can see us wandering all over the place.

The Deputy Chairman: Order. In this matter the Chair is in the hands of the Committee. It is my opinion that with a resolution of this kind, particularly when the time for debate is limited, we might well work a little more effectively if we were to follow this resolution through paragraph by paragraph. On the other hand I must point out to the Committee that there is a single resolution before the Chair, and unless the Committee decides to discuss the resolution paragraph by paragraph the Chair would have to consider any comments made within the bounds of the resolution as being in order.

Mr. Winch: On this point, Mr. Chairman, it is my understanding that when you took the Chair you read out an amendment that was before the Committee of the Whole House. I

understood we were discussing the amendment which is before us.

Mr. Barnett: Mr. Chairman, perhaps I might say a word or two on this point. My understanding was that, by unanimous consent, when we began consideration of this resolution last night we did agree, in effect, upon an order which would provide for paragraph by paragraph consideration. It was on that ground that we agreed to commence with the consideration of paragraph 2. I think this was in effect an order of the House and that last night the Chair had received that direction from the Committee.

Mr. McIlraith: If I might say something on this point, Mr. Chairman, I do not think it would be quite accurate to say there was an agreement last night as to the way in which we would proceed. Technically the resolution is one resolution and any amendment should be made to the whole resolution, and I suppose it is in order, technically, to discuss the whole resolution. But it seems to me that because of the nature of the resolution this could only lead to a confused and unsatisfactory type of discussion in Committee and I would suggest that if it meets the wishes of the Committee, subject to the hon. Member for Pontiac-Témiscamingue having an opportunity to complete his remarks, we should seek to complete paragraph 2 and from that point on discuss the paragraphs as they come, paragraphs 1, 3, 4, 5, 6, and so on, until we finish. It seems to me that this would be a more orderly way to proceed and would be more satisfactory to the Committee.

Mr. Winch: That means a decision on the amendment now before the Committee?

Mr. McIlraith: Yes. I would point out that I have undertaken in one way or another, mostly because of suggestions from private Members on both sides of the House, to present amendments to paragraphs 1, 5, 7 and 10, and there will also be an amendment at the conclusion to make a term provision rather than a permanent change in the rules. If we followed the orderly procedure that I have suggested, rather than putting them all forward together I would put them forward on each paragraph as we come to it. I think that is the fairest way of proceeding, and if it meets the wishes of the Committee I would suggest that we proceed in that way.

The Deputy Chairman: Does the Committee now agree that after the hon. Member for Pontiac-Témiscamingue has completed his remarks we proceed with the discussion of this resolution paragraph by paragraph?

Some hon. Members: Agreed.

The Deputy Chairman: May I point out to the Members of the Committee—

Mr. Starr: After the vote.

Mr. McIlraith: Yes, after the vote.

The Deputy Chairman: —that if we are to follow that procedure we will, of course, not pass each paragraph but will terminate the discussion on each paragraph.

Mr. Starr: Mr. Chairman, my understanding was—and I think this has been more or less agreed on, with the co-operation of all parties of the House—that we would deal with paragraph 2 and then call the question and bring it to a vote; then we would revert to paragraph 1 and deal with each paragraph separately, in rotation, with the amendments and the votes that may be required.

The Deputy Chairman: Then I presume that the Committee is directing the Chair to confine the discussion to the paragraph under consideration at any particular time.

Mr. Douglas: After the hon. Member for Pontiac-Témiscamingue has finished his remarks.

The Deputy Chairman: Yes, after this particular amendment has been voted on. Is that agreed?

Some hon. Members: Agreed.

Mr. Martineau: Mr. Chairman, I wish to thank you for your indulgence. I will be very brief in terminating my remarks.

[*Translation*]

Mr. Chairman, I was saying that this provision seems to me quite discriminatory, because it allows hon. members to leave the house during meal hours. It provides for a specific exception whereby hon. members who make such a request can block any vote during meal time. Therefore, such a provision is to accommodate, to a certain extent, hon. members who wish to go out for lunch.

But a similar privilege is not granted to the members of the staff who have to remain on the job all the time during lunch hours and perform more exacting duties than the members who may leave the house at will.

Such discrimination against those whose responsibility it is to expedite the business of the house is beyond comprehension.

In my opinion, the adoption of this suggestion to sit during normal meal hours would have the effect of quickly wearing out the staff. The efficiency of work of the house is the reason mentioned for this amendment. Far from increasing efficiency, it would, I think, lessen it considerably if employees became exhausted because of the extra work involved as a result of this excessive number of overtime hours as compared to normal conditions existing in private industry.

It was suggested that it would solve the problem if the debates were not taken down by the reporters during the meal hours. This solution cannot of course be considered seriously. Replacing the staff by machines, during those hours, cannot be considered seriously either. Either those machines can function efficiently and satisfactorily or they cannot. If they can, then they should be used all the time; if they cannot, there is no reason why they should be used during meal hours and not during normal sitting hours.

In essence, this would not lead to efficiency but to exhaustion. This could lead to a situation where the house would surely lose its most efficient and skilled employees; should we insist on passing this measure, employee efficiency would surely be lessened.

With respect to the French debates division, where recruiting of staff is so difficult, as I said at the beginning of my remarks, I suggest that the enforcement of this provision would result in downgrading the French debates division which is now working in a very acceptable, and I would even say, excellent way. On the one hand, new personnel cannot be recruited and, on the other hand, the staff which might remain faithfully on the job would quickly be faced with chronical exhaustion.

A much simpler solution is to keep the normal hours and also to determine the opening and adjournment periods of the house; in this way, members of the staff could fully rely on vacations which would be set beforehand.

A revision of the salaries of the house employees would also have to be seriously considered in order to put them on an equal footing with those paid for similar work in private industry. If instead of showing indifference for the well-being of employees, normal reforms were proposed, I am convinced that there would be an increase in the efficiency of the house thanks to a staff which would be reasonably paid, satisfied, able and enthusiastic.

[Mr. Martineau.]

• (4:20 p.m.)

[*English*]

The Deputy Chairman: Is the Committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. Grégoire) negatived: Yeas, 18; nays, 50.

The Deputy Chairman: I declare the amendment lost.

Mr. Douglas: Mr. Chairman, I desire to say just a few words on paragraph 2, which abolishes the right of appeal from the Speaker's ruling. There is not any doubt about the fact that this right of appeal has been abused by using it to get the view of the House on the substance of what is before the House, rather than on the actual ruling of the Speaker. But the fact that this right has been abused does not warrant abolishing it completely, any more than we would abolish many of the other rules that are abused from time to time by Members of the House.

• (4:30 p.m.)

I have two basic objections to this complete abolition of the right of appeal. The first is that there is always a danger of bias on the part of the Speaker and, even if there is not actual bias, there is always the danger that Members may feel the Speaker is biased in favour of the Government by whom he is nominated. Moreover the history of Canadian parliamentary life has been that the Speakership has often been a stepping stone from a private Member's position to a Cabinet Minister's portfolio. Because of that fact the Speakership has not been thought of as having that degree of impartiality that would free the Chair from any feeling that there was bias on the part of its occupant.

The suggestion has been made that appeals could be abolished if we had a permanent Speaker. The right hon. Leader of the Opposition, the Prime Minister and the Minister of Labour have each talked about the idea of a permanent Speaker, and even names have been tossed around, I think somewhat unwisely. No one to date has spelled out what the Government or the Official Opposition means when they talk about a permanent Speaker. The Minister of Labour went so far as to ask the different political parties to express their views about the acceptability of a certain individual as a possible permanent Speaker. I hope before this debate concludes that someone on behalf of the Government, preferably the Prime Minister, will tell the House exactly what is

meant when they talk about a permanent Speaker. Certainly until they do I am not in a position to give the views of this party with regard to the establishment of a permanent Speakership. So far the responses to the suggestion of establishing such an office have been very nebulous and vague, indeed.

There have been three ideas advanced by various people, and I think they are contained in the brief which was prepared by Professor Denis Smith. The first is the so-called McGee Plan, which proposes that the Members of Parliament elect from among themselves one Member to be the Member for Parliament Hill. This would mean amending the constitution to make Parliament Hill a constituency, so that the Member elected would resign the seat to which he had been elected. A by-election would be held, and the hon. Member would become the Member for Parliament Hill. If that is what the Government has in mind, we would like to know. We are prepared to consider and examine that suggestion very carefully, but we do not know whether that is in fact what the Government has in mind.

The other proposal, which is usually mooted when one talks about a permanent Speaker, is that someone who is the Speaker, or is being promoted as a person suitable for the occupancy of the Chair, should be given an acclamation at the next election, in that all parties would undertake to refrain from opposing him. Under that proposal when such an individual returned to the House following an election would automatically be elected by the new House to the Chair. I want to make it very clear that in my opinion this is not a very satisfactory arrangement. I do not think that we here, whether it be the political leaders or the political parties, have any right to make a commitment that we will disfranchise the people of a particular constituency for an indefinite period of time.

If the people of any constituency decide that a man has been a very good Speaker and consequently ought not to be opposed, that of course is their privilege. Many of us would probably encourage them to take that point of view; but any political party that believes in the autonomy of the constituency organization, and I am one of those, certainly could not undertake to tell any constituency that they must not put up a candidate in a forthcoming election. I am not sure it would be a good thing for any other political leader to undertake such an assignment, because this would not necessarily be for one term, but could be for three or four terms; and that is a long period of time during which to deny the people of a constituency the right to exercise their franchise.

The third concept that usually is associated with a permanent Speakership is that of continuity of tenure of the Speakership. In my opinion this makes a great deal more sense, and is to a very large extent the practice that is being followed in Great Britain. If a man has occupied the Chair with distinction and to the satisfaction of Members in all parts of the House, I think it would be all to the good if at dissolution all parties indicated that he had discharged his duties so satisfactorily that in the event of his being re-elected at the polls, whatever party formed the next Government, he would be nominated as the Speaker. That would ensure the continuity of tenure without committing any party to refrain from nominating a candidate to run against the Speaker. It would also ensure that a change of Government would not necessarily entail a change in Speakership. I have no doubt that, as has happened in Great Britain, if the Speaker has been continued in office over one or two terms, the likelihood is that the people of the constituency and the Members of the various parties would refrain from opposing him during an election, but they would do so on the basis of a voluntary decision made by the people. That would not require some of us here to decide who should be the Speaker, or who should nominate and who should not be nominated in a particular constituency.

I hope that this question of the so-called permanent Speakership will be clarified, because I think it is important that if we are going to abolish appeals against the Speaker's rulings the Speaker must more and more be divorced from partisan considerations. The continuity of tenure by the Speaker, irrespective of a change in Government, would go a long way toward removing any suspicion that there was bias or prejudice on the part of the Speaker when he makes the decisions he must make from time to time in order to carry on the work of the House. I trust that we are going to get some clarification of this point. That would be a forward step. If we are to reach some agreement, we ought to reach it on the basis of a distinct understanding of what we are talking about.

Certainly as far as I am concerned, I think the third alternative to which I have referred, the continuity of tenure, is the one which would cause the least dislocation and would be the easiest to apply. If this worked satis-

factorily over a period of years, then some future parliament could decide whether or not further improvements could be made so as to guarantee the impartiality of the Speaker and the appearance of impartiality, which is just as important as the impartiality itself.

• (4:40 p.m.)

The second objection I have to abolishing appeals from the Speaker's rulings concerns not only the matter of bias which may be attributed to the Speaker but also the question of errors of judgment. No individual is infallible. No Member, no matter how conscientious or how scrupulous he may be, can guarantee that he will always be right. The rules of this House are exceedingly complicated and in the final analysis the man in the Chair has to make a decision. He must interpret those rules on the basis of precedent; he must analyse the situation before him and reach a decision.

It is quite conceivable that the decision will be wrong. The difficulty is that not only will that wrong decision work an injustice at the time but, even more serious, it will become a precedent upon which other decisions will be based in the future. In parliament we build up a series of precedents, as we do in the common law, and one erroneous decision could start a whole trend of decisions which could not be reversed and could have very unfortunate results.

I think there is a half way ground between what the Government is proposing and the amendment just defeated which sought to amend paragraph 2 so as to permit appeals against the Sepaker's rulings. The middle ground was referred to yesterday by the hon. Member for Edmonton West and it is also contained in the brief which was prepared for the Committee on Procedure by Professor Denis Smith of Trent University. I will read only a couple of paragraphs which I think set forth the proposal in fairly succinct terms. He says:

> The Speaker, however, may sometimes make mistakes in applying the rules, and occasionally invites appeals on this ground. On February 24, 1965, Mr. Speaker Macnaughton admitted the possibility that "even the Chair is perhaps in the position sometimes of making an error," and invited an appeal against his ruling that a prima facie case of privilege had not been made by Mr. Douglas. The decision was appealed, and the Speaker's ruling was reversed. The simple abolition of appeals would provide no recourse for the House against patently mistaken rulings, except the extreme recourse of a substantive motion of censure.
>
> An intermediate measure of reform might provide that an appeal could only be made by substantive motion accompanied by the citation of authorities and precedents in writing, and that such an appeal would be referred automatically by the House either to the Committee on Privileges and Elections or to the Committee on Procedure, if it were to become a standing committee. The appropriate committee would examine the merits of the appeal, and report to the House, which would act upon the recommendation of the committee to sustain the ruling or to allow the appeal. This deliberate and formal procedure would eliminate most nuisance appeals, but would permit legitimate appeals based upon careful study of the rules.

[Mr. Douglas.]

I want to commend to the Committee consideration of the point put forward by Professor Denis Smith. It is absurd for us to begin with the assumption that a Speaker, no matter how fair, no matter how impartial, no matter how learned, will never make a mistake. If we abolish appeals from the Speaker's rulings we are left with no alternative but to move a motion of censure, and I submit, Mr. Chairman, there are many instances where one disagrees with the Speaker on a matter of law or on the interpretation of the rules of the House, but where one would certainly hesitate to move a motion of censure which calls in question not just his judgment but his integrity.

It seems to me that this middle ground of having a standing committee on procedure to which an appeal could be referred is a good idea, not so much for the purpose of rectifying an immediate situation but to prevent the establishment of a precedent which could lead to great misunderstanding later. I think the proposal made by Professor Denis Smith is worthy of the Committee's consideration. I believe that abolishing appeals completely is going too far. I am quite willing to admit that there have been abuses and there ought to be some restriction on the right to appeal, but to leave Members no recourse when they disagree with the Speaker except to move a motion of censure on the Speaker seems to me not to be the essence of wisdom. Therefore I move:

> That the proposed new Standing Order 12 (1) be amended by changing the period at the end thereof to a comma, and by adding immediately thereafter the following words: "provided, however, that an appeal on a substantive motion, accompanied by the citation of authorities and precedents, may be submitted for study to a special committee to be appointed for that purpose."

Mr. Pickersgill: Mr. Chairman, I should like to say a word about this amendment. When the hon. Member for Edmonton West spoke about this procedure, which if I remember correctly I think he said is followed in the West German Parliament, it did seem to me that the general idea had a certain amount

of appeal, if I may make a very bad play on words. I think I was the first Member of the House who as a member of the Opposition proposed the abolition of appeals. I did so consistently for three successive sessions when I was sitting on the other side of the House, so I do not think anyone can accuse me of being an advocate of the abolition of appeals because I think they are an embarrassment to the Government.

I think that the idea that a majority of the Members of the House can reach a better decision about a matter concerning the rules is so absurd that it just cannot commend itself to any sensible person. In that regard I point out that in the normal course an appeal in a legal matter is to another court, not to the jury that has participated in a trial at a lower stage, if I may mix my metaphors thoroughly.

• (4:50 p.m.)

I think the hon. Member for Burnaby-Coquitlam was quite right when he said that appeals had almost never been taken on the grounds that the rules were incorrectly interpreted, but in an effort to get a phony decision on the question which was itself ruled out of order. This seems to me not only an abuse of our procedures but a very serious affront to whoever may be Speaker. I do not believe we will ever be able to get a continuing Speaker of this House until after we have abolished appeals. I know I would never take the position if there were any appeal from me. I think once this matter has been debated in the House, I do not think any other Member will be willing to take the office if the House is not willing to trust him. Some of the reasons that have been given for not trusting the Speaker, that he might conceivably be biased, do not impress me very much. They did not impress me when I was sitting on the other side, either.

This is a very ingenious idea but one which I feel that at this stage, since it is also novel and has been sprung upon us without warning, might be something which a committee ought to study very carefully. I would find it difficult, myself, to support the amendment in its present form. In saying that, however, I should like to add that I do believe it is a matter which should be studied by whatever body the House sets up to study the rules over the next period. After all, the rules we are debating now are to be effective for a trial period only, which will expire at the end of the next full session. It seems to me that, in view of the general expression of confidence, we could abolish the appeals now and consider this suggestion very carefully. If I interpret it correctly, the appeal would not be against the effect of that particular ruling. The ruling would stand, but there would be an appeal against its becoming a precedent. It would be only on that basis that I think it would be feasible at all, because obviously you could not suspend all the proceedings of the House while the committee studied the ruling in order to determine whether or not the decision should be allowed in that particular case.

In other words, I am speaking only for myself as one Member of the House when I say that the idea embodied in the hon. gentleman's amendment has some attraction for me. No one wants to move votes of censure against a Speaker to express dissent. I think the hon. Member for Edmonton West, in bringing this matter before the House, with the kind of special experience the hon. gentleman has had in a very difficult parliament, has done us a real service. At the same time, I would hope that we would not be rushed into the adoption of the proposal without considering all its implications, particularly as there will be a chance, in the further consideration of the rules, to consider the best way of doing it in our own Canadian fashion. If there were a general understanding that this idea would be considered and, if we could work out something satisfactory, we would have it brought back to the House as the view of the whole House, I wonder if the hon. gentleman would consider not dividing the House but withdrawing his amendment?

Mr. Baldwin: I think this is a very interesting suggestion, particularly because it follows along the lines of an idea I expressed when I first spoke in this debate. I said, as reported on page 1579 of *Hansard*, that I was quite convinced, as a result of the proposal to abolish the appeal from the Speaker's ruling, that certain things would come about which we did not contemplate at this time. Then, I said, and I quote:

> I believe as well that if the particular proposal by which appeals from Mr. Speaker's ruling are abolished, it might not be a bad idea to have in existence a committee which would be seized of an understanding of these rules, and which would meet from time to time and to which Mr. Speaker could have access.

This is not quite the same as the proposal in the amendment, but I make this suggestion that I am quite in agreement with what the Minister of Transport said. You could not

have the House left in suspended animation. If Mr. Speaker made a decision, the House would have to act in accordance with the rules. We could not wait for a week or ten days to have the committee which is proposed in the amendment of the hon. Member for Burnaby-Coquitlam inquire into whether or not the decision was one which should stand, then bring before the House its views contained in a substantive motion upon which the House could vote, and confirm or alter the ruling of Mr. Speaker.

I do believe, however, it is quite essential that in connection with a decision which is made, and which might not be one the House feels is in the best interests of all concerned should stand, not only for this Parliament but for subsequent parliaments, rather than put it in the form that there could be an appeal, such a committee might be seized with the duty of carefully considering the issue. If the committee thought the decision was one which should not stand as part of our procedure, they could then bring a substantive motion, just as is proposed in this amendment, and the House could then divide on this question. If it is left in this form, you would then have a situation where Mr. Speaker has given his decision and yet there is still an appeal outstanding. I think you would be in difficulty. I believe there is merit in the suggestion. Possibly the Government might consider, before we have completed our deliberations which will continue until tomorrow, holding consultations with the hon. Member who has moved the amendment and the hon. Member for Edmonton West who brought this matter forward. The House should have an opportunity to alter a ruling which it feels should not stand.

Mr. Lambert: I think the situation might be clarified to the satisfaction of all if we could get an undertaking from the Government that we would have reinstated the Special Committee on Procedure. There has been no provision made for that committee to continue the studies it had undertaken. I believe this procedure would take care of the matter, if we could have that undertaking. After all, while the Government says these rules are going to be reviewed, it does not say how or when. I suggest that the reinstitution of the Special Committee on Procedure might facilitate things.

The Acting Chairman (Mr. Tardif): Order; it being five o'clock I must interrupt the

[Mr. Baldwin.]

business to permit the House to consider private Members' business.

Progress reported.

• (5:00 p.m.)

AGRICULTURE

REQUEST FOR ROYAL COMMISSION ON FARM MACHINERY PRICES

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale) moved:

That, in the opinion of this House, the Government should consider the advisability of appointing a Royal Commission to investigate the increased costs of farm machinery across Canada in relation to the price of farm products.

He said: I am very pleased to have this opportunity to introduce my motion for discussion at this hour. The purpose of my motion is this: to have a Royal Commission appointed to investigate the increased costs of farm machinery across Canada in relation to the price of farm products.

In the past such investigations have usually been carried out by the standing committee on agriculture of this House, as was the case in 1960-61. In my opinion the disadvantage of having an investigation of this kind carried out by a standing committee is that very often—and this is what happened in 1960-61—parliament is prorogued and an election called, with the result that the recommendations of the committee are neither properly studied nor implemented. I understand this was the case not only in the particular year to which I have referred, but in previous parliaments in the past. Similar circumstances arose. If a Royal Commission were set up as suggested in my motion the investigation could continue whether the House was sitting or not, or whether parliament had been prorogued or not; the commissioners would not be interfered with.

As hon. Members know, at the present time one of the great problems which faces our farm industry is the high prices of farm machinery. These prices are out of all proportion to the price the farmer receives for his produce. What is worse is that the prices of farm machinery rise year after year while the prices of farm products remain the same or, in some cases, are even lower. What is the reason for this? Well, a Royal Commission would be empowered to investigate and discover the reason for this inequality of price.

The 1960-61 Agriculture Committee of which I was a Member investigated farm machinery prices. The first step at that time was to call in the four main farm machine

companies of Canada. These companies were: Massey-Ferguson Ltd., International Harvester Co. of Canada Ltd., John Deere Ltd., and Cockshutt Farm Equipment Ltd. It was a most interesting investigation and we listened with great interest to what these machinery companies had to say about the steady rise in the cost of farm machinery. They gave many reasons. Each company contended that its margin of profit was below 4 per cent and also that its volume of business was decreasing. Well, the reason for a decline in business might be found among the records of the Dominion Bureau of Statistics. During the period 1951-61 the number of farms decreased by 23 per cent. Maybe this is one reason why the volume of business done by these companies had decreased. It was also stated by the machine companies that the costs of labour and materials had climbed to a much greater extent than had farm machinery prices.

We also invited the Canadian Labour Congress to present its views and it is interesting to note that in their statement the C.L.C. representatives contended that wages in the farm implement industry had not risen as much as they had in other industries. Though their wages had increased by 100 per cent since 1949, the standard of living had not increased as much as it had in the farm implement industries. They admitted that steelworkers' wages had increased by approximately 200 per cent since 1949.

As I say, we heard from the four main farm machine companies. We were also presented with a statement by the C.C.I.L.—the Canadian Co-operative Implement Company of Winnipeg. This was very different from the statement made by the four major companies, who said their profit amounted to only 4 per cent. We were particularly interested in the financial statement of the C.C.I.L. According to this statement the experience of the company over the years had been that in relation to total sales of slightly more than $54 million a net savings amounting to $5,640,000 had been made on sales which represent only a very small percentage of total machine sales in western Canada. In 1959, when C.C.I.L. had a better percentage of total sales than in several preceding years there was a saving of approximately 14 per cent on sales. More than $1,650,000 has been paid in cash to member customers and more than $500,000 has been placed in a deferred dividend position. This is very interesting. Here we have the four main implement companies contending that they are making a profit of only 4 per cent from their sales while the C.C.I.L. is making a profit as high as 14 per cent on sales.

I have in my hand some information from the Dominion Bureau of Statistics which will throw some light on the subject and endorse my argument that a Royal Commission be set up to investigate the increased cost of farm machinery across Canada in relation to the price of farm products. Here is a table headed "Value of Farm Implement and Equipment Sales, Canada, 1954-1964". I will give the figures in millions of dollars. In 1954, sales of farm implements and farm equipment amounted to $146 million and the price rose continuously over a ten year period until in 1964 it stood at $366 million. This represented an increase of about 100 per cent. The sale of repair parts in 1954 amounted to $27 million and by 1964 there had been an increase to $52 million. You can see, Mr. Speaker, that prices have continuously increased; they rose by almost 100 per cent during this nine or ten year period.

• (5:10 p.m.)

Now let us consider the D.B.S. table entitled "Index Number of Wholesale Prices of Canadian Farm Products, Canada, 1949-1964". The basis of these figures is that the index 1935-39 equals 100. In 1949 the index stood at 228.7, while in 1963 it stood at 229.9, an increase of only one point over a 15-year period. I now come to the index numbers of wholesale prices of field products. We find that in 1949 the index stood at 191.9 and in 1963 it decreased to 184.4. Then for animal products we find that in 1949 the index stood at 265.4 while in 1963 it rose to 275.4.

You will see from these tables, Mr. Speaker, that the prices of farm products have not kept pace with the increase in the prices of farm implements and machinery. I also have another table, obtained from the Dominion Bureau of Statistics, entitled "Selected index numbers of prices of commodities and services used by farmers". It is based on the index 1935-39 equalling 100. With regard to the composite index exclusive of living component, in 1949 the figure was 204.1, while in 1963 it stood at 298.6. In 1949 the index for farm machinery stood at 158.3, while in 1963 it rose to 272.9.

These figures reveal a very, very interesting and at the same time sad picture. The prices of farm machinery and services of which a farmer must avail himself have gone up 100 per cent to 200 per cent in some cases, while

the prices of farm products over a 15-year period have not only failed to increase but in many instances have decreased. This is the reason, Mr. Speaker, why I would like to have a Royal Commission investigate this matter and take appropriate steps to correct the unjust and unfair situation that exists today in our agricultural industry.

I have just one more table. This deals almost exclusively with prices for wheat, oats and barley in the Prairie Provinces. Here, too, the index is based on 1935-39 equalling 100. We see that in 1949 the index stood at 255.4, while after a 15-year period in 1963 it rose to 268.4. There has been a tremendous increase in the cost of farm machinery, while there has been an increase of very few points in the price of agricultural products, in this particular case wheat, oats and barley.

As I stated earlier in my remarks, Mr. Speaker, the number of farms has decreased during the 10-year period 1951 to 1961 by 23 per cent. This is the reason why farm delegation after farm delegation come to see the Federal Government, ask to have their plight investigated and come up with suggestions and recommendations whereby our farmers may receive the same treatment that is accorded other segments of our population. I would like to see the House approve this motion so that the Government might go ahead and appoint a Royal Commission to investigate this problem.

I could deal with many more points in this connection and supply more information from the Dominion Bureau of Statistics, but there is only one hour in which to discuss this matter and I would like to see other Members from all parties in the House stand up and express their views. I would like to have your permission, Mr. Speaker, to submit the tables I have mentioned, which were received from the Dominion Bureau of Statistics, for either printing in the body of *Hansard* or as an appendix to *Hansard*.

The Acting Speaker (Mr. Batten): Order. Does the House give permission to having the tables referred to by the hon. Member included in his speech or as an appendix to *Hansard*?

Some hon. Members: Agreed.

[*Editor's note: The tables above referred to are as follows:*]

VALUE OF FARM IMPLEMENT AND EQUIPMENT SALES, CANADA, 1954–1963
(Values at Wholesale Prices)

Year	Farm Implements and Equipment	Repair Parts	Total Sales
		– dollars –	
1954	146,702,695	27,335,796	174,038,491
1955	153,124,434	28,451,964	181,576,398
1956	170,767,455	31,824,672	202,592,127
1957	149,901,593	33,820,056	183,721,649
1958	172,014,376	33,978,663	205,993,039
1959	212,231,379	38,887,438	251,118,817
1960	217,465,183	41,312,625	258,777,808
1961	201,776,532	39,643,554	241,420,086
1962	238,797,225	43,879,451	282,676,676
1963	287,839,732	49,721,863	337,561,595
1964[a]	366,503,241	52,594,582	366,503,241

[a] Preliminary.

SOURCE: *Farm Implement and Equipment Sales*, Cat. No. 63-203, and 63-009, Dominion Bureau of Statistics.

INDEX NUMBERS OF WHOLESALE PRICES OF CANADIAN FARM PRODUCTS, CANADA, 1949-1964

Year	Wholesale Prices of Canadian Farm Products		
	All Farm Products	Field Products	Animal Products
	(1935-39=100)		
1949	228.7	191.9	265.4
1950	236.7	191.9	281.4
1951	268.6	200.4	336.9
1952	250.2	223.0	277.5
1953	221.6	179.4	263.8
1954	213.6	170.9	256.2
1955	212.6	180.1	245.1
1956	214.2	181.6	246.9
1957	213.6	169.2	258.0
1958	222.9	171.4	274.5
1959	223.9	176.1	271.6
1960	226.6	189.1	264.1
1961	230.9	191.7	270.0
1962	240.8	195.5	286.0
1963	229.9	184.4	275.4
1964	218.3	169.4	267.2

SOURCE: *Prices and Price Indexes*, Cat. No. 62-002, Prices Division, Dominion Bureau of Statistics.

SELECTED INDEX NUMBERS OF PRICES OF COMMODITIES AND SERVICES USED BY FARMERS

Year	Composite Index Exclusive of Living Component	Farm Machinery
	(1935-39=100)	
1949	204.1	158.3
1950	210.4	165.1
1951	230.0	186.8
1952	243.1	195.4
1953	239.8	196.7
1954	237.2	197.9
1955	238.3	198.8
1956	247.6	209.4
1957	255.9	223.8
1958	259.9	236.7
1959	269.5	248.4
1960	276.7	254.2
1961	282.2	261.4
1962	290.7	268.1
1963	298.6	272.9
1964	308.6	279.6

SOURCE: *Price Index Numbers of Commodities and Services Used by Farmers*, Prices Division, Dominion Bureau of Statistics.

Farm Machinery Prices

INDEX NUMBERS OF FARM PRICES OF AGRICULTURAL PRODUCTS*

Year	Index Number (1935–39=100)
1949	255.4
1950	260.8
1951	296.8
1952	274.4
1953	250.4
1954	236.8
1955	232.7
1956	234.6
1957	234.2
1958	245.5
1959	247.4
1960	250.0
1961	261.2
1962	272.0
1963	268.4
1964†	258.0

* Excludes Newfoundland.

† For 1964 the index is based on initial prices only for wheat, oats and barley in the Prairie Provinces, for the period August to December inclusive. The 1964 index will be revised upwards when final prices are known for these grains.

SOURCE: *Index Numbers of Farm Prices of Agricultural Products*, Cat. No. 62-003, Agriculture Division, Dominion Bureau of Statistics, March 1965.

Mr. Russell C. Honey (Durham): Mr. Speaker, I want to introduce my remarks, in dealing with the motion of the hon. Member for Humboldt-Melfort-Tisdale (Mr. Rapp), by saying that I think all of us in this House are concerned with and appreciate the problems in the agricultural industry which the hon. Member has described. But I think he is perhaps taking a rather narrow approach to the whole matter and that the setting up of a Royal Commission as the hon. Member requests, while this in itself might be helpful, would entail wasting a great deal of time, pending the inquiry and the report of the Commission, before the Government would be in a position to take action in this respect. Also, there are indeed other facets of the problem facing the agricultural industry today that are of equal concern, and the whole scope of the agricultural problem is one which the Government has under constant review. The legislation introduced—I shall refer later in my remarks to this legislation and the policies of this Government—has been helpful in approaching a solution to this problem.

I wish to refer, as my hon. friend has done, to some statistics which will indicate that the matter he has discussed is not, relatively speaking, as pressing as other problems in this particular field. The hon. Member for Humboldt-Melfort-Tisdale referred—and I am pleased that he did—to the work carried out by the Standing Committee on Agriculture and Colonization in 1960 and 1961 when it was empowered by this House to inquire into the matter of the cost of farm machinery in relation to the price of farm produce. The hon. Member who preceded me was a Member of that Committee and speaks with more authority than I can, because I was not in the House of Commons at that time. However, a review of the proceedings shows that the Committee sat 36 times during this period. I think the first hearing was on July 12, 1960, and the Committee sat until June 5, 1961. It did not meet again because, as has already been mentioned, an election was called the following year. In view of the volume of work that was done by that Committee in connection with this problem, I think I might be a bit critical.

• (5:20 p.m.)

The Committee was not reconvened after the election of June 18, 1962 because the Parliament which was then returned after that election did not have the opportunity to set up the Committee on Agriculture and Colonization. So that the great volume of work which was done by that Committee

has really never been reduced to the form of a report, and I think in that respect it is regrettable that something more concrete has not emerged from those rather lengthy, and I think important, deliberations.

The difficulties in the farming industry today have, of course, been partly overcome. The farmer is approaching the solution to his problems through more efficient operation, and in doing so requires newer and more efficient machines. It is a matter of interest, Mr. Speaker, that machinery investment on farms in Canada today amounts to $2.5 billion. We can compare this with 15 years ago when investment was $1.5 billion. I mention this to show the rapid increase both in size and cost of farm machinery in the post-war period.

However, we all know that the cost of other farm expenses is also going up, for example labour, machinery, operating expenses, and so on. I think it is interesting to look at the rate of these increases. I have before me some information supplied by the Dominion Bureau of Statistics indicating the relative rate of increase of these other operating expenses as compared with machinery costs. It is an index of prices of commodities and services used by farmers, and I introduce these figures by saying, so as to make them more intelligible, that the index I refer to is a measure of the change in prices of things farmers buy for use in their farming operations. The composite index reflects changes in the average prices for large groups of production goods and services.

While the prices of most goods and services have moved up since the 1940's the prices of some have moved more rapidly than others. The sub-indexes have been calculated for the major components of the composite index.

During the 1950's, the price of farm machinery rose more rapidly than the average of all prices of goods and services used by farmers. From 1949 to 1959, the index of farm machinery prices rose 90.0 points while the composite index rose 65.4 points. The index of prices of building materials rose 88.5 points. Since 1959 however, the rise in the index of farm machinery prices had been at a slower rate than the index of prices of many other goods and services by farmers. During the past five years, during 1960 to 1964, the index of farm machinery prices advanced 25.4 points. The composite index in the same period advanced 31.9 points and the building materials price index advanced by 30.1 points. Farm wage rates advanced even more rapidly. From 1949 to 1959 the index of farm wage rates rose 164.9 points as compared to the 65.4 point rise for the composite index and 90.1 point rise for the machinery price index. During the past five years farm wage rates have continued this trend, their index rising 72.2 points as against 31.9 for the composite index and 25.4 points for the index of farm machinery prices.

As I mentioned in my opening remarks, I do think—I say this with respect because I know the hon. Member, like all hon. Members in this House, is very concerned about the problems facing the agricultural industry—that we have to approach the question, as the Government is doing, from the over-all, broad approach; and this is the reason I read into the record the relative increase in prices in the farming industry, because it indicates that while the price of machinery is a serious and important factor, relatively speaking, in the cost of farming, it is no more important, or in late years as important, as the increase in the cost of labour and other services and requirements for which the farmer must pay.

I mentioned earlier that one of the solutions to our problems—all of us in agriculture refer to the cost-price squeeze—is greater efficiency. This has resulted in bigger and better and more expensive machines, and this in itself is a very important approach which we must take to our agricultural problems. The farmer has done an exceedingly fine job of increasing his efficiency, but that is not the whole answer; and certainly we cannot find the answer to the broad, over-all problems entirely within the scope of increased efficiency. The problem, of course, is that the price the farmer is receiving for his produce is not keeping pace with the cost of his operations, the various facets of which I have already described.

Another problem, one which this Government is moving and has moved very rapidly to assist, although it is not the entire solution—and I do not think anyone on this side has ever suggested it is—is the question of better credit facilities. The amendments to the Farm Credit Corporation legislation, which doubled the amount of credit available to farmers, and the amendments to farm improvement loans legislation, which increased the amount available from $7,500 to $15,000, in fact doubling it, have put the Canadian farmer in the position where there is more credit available to help him consolidate his land, purchase equipment and so on, thus making his operation an economical or more

economical and more viable one. These approaches which the Government is taking are helpful, and I have mentioned others. They are all part of the whole pattern of solutions to these problems of our agricultural industry. One of them, and a very important one, is the question raised by the hon. Member for Humboldt-Melfort-Tisdale (Mr. Rapp); and as I have already said it is one of the important problems with which we in this House have to deal.

However, I wonder whether a Royal Commission is really the answer. I think the motion is a reasonable and certainly conscientious attempt on the part of the hon. Member to bring this matter to the attention of this House, but I think, as I have already said, that we may be approaching the question within too narrow a scope.

I should like to put on the record a quotation which may be helpful from the proceedings before the Standing Committee on Agriculture and Colonization when it dealt with this problem in 1960 and 1961. I am referring to some remarks of the late Dr. Hannam, who was then President of the Canadian Federation of Agriculture. This quotation appears in Minutes of Proceedings and Evidence, No. 3, when he was giving evidence before the Committee, as reported at page 102 of the report. In his evidence he did not, nor did others on behalf of farm organizations, suggest the approach of a Royal Commission.

• (5:30 p.m.)

This is what Dr. Hannam said when dealing with the problem with which the Committee was faced in respect of agriculture generally in Canada:

> In our view the basic difficulties of agriculture arise out of the technological forces making for rapidly rising productivity in agriculture, together with the failure of the demand for farm products to increase correspondingly. The result is a chronic tendency to overproduce and a downward pressure on farm prices and on numbers of farmers.
>
> We think that farmers recognize this fact, and would not want us to run any risk of leaving an impression that we think the problems of agriculture are essentially caused by exploitative increases in costs, though these can be damaging when they occur. To leave such an impression would not serve the best interests of farm policy needs in Canada.
>
> It is in the improvement of conditions of marketing and pricing of farm products, in expansion of markets, in the creation of economic opportunity for rural people, and in progressive credit and resource use policies that the greatest hopes for improvement in the farmer's condition lie.

I should again like to refer to the proceedings of that Committee and, in particular, to a recommendation made by the Saskatchewan Wheat Pool through its President, Mr. C. W. Gibbings, who presented a comprehensive brief containing a number of interesting and useful recommendations. Again, these recommendations did not include a reference to the setting up of a Royal Commission.

The recommendation I think is of interest in the context of this problem reads as follows:

> That Governments, organized farmers and individual farmers themselves consider methods of encouraging custom hiring and renting, the sharing and co-operative ownership of farm machinery in areas and under conditions where each is feasible and desirable.

Hon. Members will recall that a few months ago this Government passed the Machinery Syndicates Credit Act, which I think is in fact the implementation of that recommendation made by Mr. Gibbings at the time he appeared before the Committee. I do not intend to go through the details of that legislation because hon. Members are familiar with it, but it does provide a method for co-operative purchase and ownership of farm machinery, when three or more farmers wish to join together for the purposes of obtaining loans under this Act.

The legislation, as you know, Mr. Speaker, has been in effect for only a few months. Up to this time in Canada 46 syndicates have been established and have received some $500,000 in loans. This is the sort of thing that can and does help toward solving the problems of the farmer. There is a great deal more to be done and I would not suggest for a moment that that is not the case. However, I do believe that the steps this Government has taken have been of great assistance.

I should like to mention one or two other steps the Government has taken, if I may, which were included in the budget resolutions now before us. One is the provision for the write-off, in the year in which they are incurred, of all the expenses of draining and of clearing farm lands. I believe this is going to be very helpful, and this is the way a farmer can be realistically helped in his battle against rising prices of things he uses, and his battle for stabilized prices for the things he sells.

One other measure referred to in the budget resolutions that I wish to mention is the provision for storage and handling of grain, whereby purchase and construction costs may be written off in a much shorter period of time than has been the case heretofore. Again this is a practical demonstration of the things

that can and in fact are being done to assist the farming industry.

That is about all I wish to say, but I want to conclude by suggesting, and I am sure many hon. Members on this side of the House will associate themselves with me in this belief, that I appreciate the sentiment and goodwill behind the motion moved by the hon. Member for Humboldt-Melfort-Tisdale (Mr. Rapp). That is one way of approaching this serious problem, but I hope that by my remarks I have to some extent shown that the problem is much broader and much more complex than would appear to be the case as reflected in the narrow, and I use that word in the sense of a specific approach, concept the hon. Member has mentioned.

Mr. Enns: Mr. Speaker, would the hon. Member permit a question?

Mr. Honey: Yes.

Mr. Enns: In his earlier remarks the hon. Member quoted some statistics to show how much money had been lent to farmers under the provisions of the Act sponsored by this Liberal Government. Would the hon. Member not agree that statistics regarding the increased amount of money lent to farmers does not show the whole picture? If ten tractors cost $20,000 ten years ago, there would be an entry of $20,000 in the statistical table, and if this year the same ten tractors cost $40,000, a comparison of the amounts of loans would not give a complete picture and might be misleading.

Mr. Honey: Mr. Speaker, I think the hon. Member has misunderstood me. I do not recall quoting any statistics to that effect. What I did say was, and I have not got the exact figures and suggest that the hon. Member check *Hansard* in this regard, that in the last four years there has been a shift in the relative cost of farm operations. Again I suggest the hon. Member check me by reading *Hansard* in this regard, but during the ten years after the war the greatest expense to a farmer related to farm machinery; but that expense has shifted so that, relatively speaking, labour and other costs of farm operations are taking more of the farmers' dollars today than machinery costs. I think those were the only statistics in that context which I used, Mr. Speaker.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I shall be as brief as possible, but there are one or two pertinent points I want to raise. The hon. Member in moving this motion has brought a most important and serious matter to the attention of this House. However, I do not think the hon. Member meant exactly what his motion says. It reads:

> That, in the opinion of this House, the Government should consider the advisability of appointing a Royal Commission to investigate the increased costs of farm machinery across Canada in relation to the price of farm products.

Surely what the hon. Member had in mind is not the relationship between the costs of farm machinery and the price of farm products, but rather the price of farm machinery in Canada. If that is tied in with the price of farm products, it does not mean the same thing. I may be wrong, but I take it the major question in the mind of the mover of this motion relates to the increase in the cost of farm machinery to the agriculturists of Canada.

• (5:40 p.m.)

I agree completely that this is a matter that should be of immediate concern, study and report. Unfortunately there is a great deal of misunderstanding as to the base of the cost of farm machinery. I have read article after article in this regard. I have talked to farmer after farmer and they all have the idea that the increased cost of farm machinery has been brought about because of increased labour costs. Steel is the basic material that goes into the production of farm machinery, and investigation will prove that the increased wages and fringe benefits given over the years to those working in the steel industry have not added to the cost of farm machinery, because the increase in production per man hour in that industry has more than compensated for the increased wages and fringe benefits of the workers.

There is another important aspect to the cost of farm machinery with regard to which we run into a problem, brought about by the fact that there are those who believe in the capitalist system of free enterprise and competition. The fact is that many different types of machinery are produced by different firms but all these machines are designed to do the same job. What is the result? Farm machinery costs are sky high because the supplier has to keep on hand parts for so many different types of machinery produced by so many different companies. If hon. Members sincerely want to reduce the cost of farm machinery they are going to have to decide to accept standardization based on the most efficient equipment to do the job. If that were done, carburetors,

transmissions, gear boxes and so on would be interchangeable between various machines. If we continue to have six to a dozen different types of machinery all designed to do the same job, which means suppliers have to have the spare parts for all these machines, we will never get the price of farm machinery down to a level where it will not be such a major factor in the farmer's costs of production.

If the idea of the mover of the motion is, as I think it must be, that he wants a real study made of the costs of farm machinery resulting in recommendations to the Government and the House of Commons, and if he believes that the Government and the House of Commons will have the intestinal fortitude to do what is then required to bring down farm machinery prices to a level in keeping with the pocketbooks of the farmers, I think this will be a marvellous step forward. I said I would be very brief but I want to add that any inquiry must have the guts—I said "intestinal fortitude" but I will now say "guts"—to face up to the situation that nothing can be done in this regard under our competitive system unless we are prepared to accept standardization of equipment. If the hon. Member is prepared to have an investigation made with that idea in mind, then I say glory be to him for introducing this motion.

The hon. Member has asked for a Royal Commission. My personal opinion is that a Royal Commission is not required. A study, an investigation in depth, is required, and I believe that because of the experience we have had of certain studies in depth being made by special committees of the other place this would be an excellent task to give the other place, so they can do the same kind of job of investigation they have done with regard to at least two other matters and make a report to the Government and to Parliament.

An hon. Member: No.

Mr. Winch: One of my hon. friends says "no". I say that if you are not going to abolish the Senate, if you think there is a task the Senate can perform and that the Senate has a worth-while contribution to make, then this is exactly the kind of job we should give to that body. If you have not got that kind of faith in the Senate, then abolish it.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I think it is unfortunate that the Standing Committee which studied this matter in 1960 and 1961 was not able to complete its work and bring in recommendations. I agree with the hon. Member for Durham (Mr. Honey) that it is unfortunate the Committee was not reconstituted in the succeeding session to complete the work it began in 1960 and 1961.

I believe that the hon. Member for Humboldt-Melfort-Tisdale (Mr. Rapp) has pinpointed one of the problems that has been uppermost in the thinking of farmers right across the country, a problem that has been the subject of a great amount of study and investigation and has contributed greatly to stirring up feelings of resentment on the part of those who are being victimized, it seems, by the high costs of production while at the same time their products bring them such a low return. This was emphasized quite definitely in the submission of the National Farmers Union to the Government of Canada on March 1, 1965. On page 22 we find this statement:

> The high cost of farm implements is one of the commonest complaints among farmers. The cost index of farm machinery has increased more than two and a half times since 1940. As farms have decreased in number and increased in size, the investment in new farm machinery and repair parts has been steadily rising and the dependance of the farmer on equipment has increased proportionately.

In my view there are a number of things that enter into the high cost of machinery. There are those who argue that in actual fact the cost of machinery has not increased as much as appears on the surface. Reference was made by the hon. Member for Vancouver East (Mr. Winch) to the cost of steel. In an addendum to the submission of the National Farmers Union to the Government I find the following with reference to the increases in the basic price of steel:

> The inflationary implications in the rise of basic steel products are certain to have widespread repercussions. In the main body of our submission we have outlined to you the concern of farmers at the rising costs of production and declining prices of farm products. The price increases announced by the steel industry promise to increase costs of farm machinery, repair parts and other basic steel requirements of agriculture.

In addition to the increase in the cost of steel we must bear in mind the fact that more complicated and more costly types of machinery are required today. The fact is, of course, that such machinery is available, and naturally when new types of equipment are produced they are produced to be put to work for the benefit of the people. There is also the aspect that farm units are larger, with a resulting need for larger farm equipment. I believe this is one of the main reasons why

costs of production are increasing so rapidly in the agricultural industry.

I should like to mention another point, the cost of financing. I believe the hon. Member for Durham referred to the very many ways in which the Government has made credit facilities available to the agricultural industry.

• (5:50 p.m.)

I know that it is absolutely essential that the farmer have access to the necessary capital and to credit. However, the thing that disturbs us is that, even with the opening up of additional facilities, the interest rate remains at a relatively high position. I believe that a move in the direction of lowering the interest rate would help tremendously to solve this particular problem.

I was told just this afternoon that in New Zealand farmers have access to capital at an interest rate of 1 per cent. I think any one of us can readily understand the tremendous benefit that such a program would be to agriculture, if instead of paying the rates that have been established they could find their capital requirements at an interest rate of 1 per cent. We can readily understand that this would reduce tremendously the cost of production. I believe therefore that this is one point to which we must give careful consideration in seeking to establish adequate credit facilities for farmers. We would then place the farmer in a better position to finance his operation.

I have been advised that at the present time the depreciation on farm machinery is equal to 50 per cent of the total cost of production. I think that is a startling fact, Mr. Speaker, and something that ought to cause us to agree to some very definite study being given to this matter, whether it is by Royal Commission or some other agency. This matter ought to be taken into consideration because if the depreciation on farm machinery is equal to 50 per cent of the cost of production, then something is seriously wrong. I was discussing this matter with a farmer not long ago and he said: You know, many of us are forced to live or exist on the depreciation on our machinery. This is an unfortunate situation. I believe, therefore, the hon. Member for Humboldt-Melfort-Tisdale (Mr. Rapp), and other Members who are interested in this subject, have a legitimate reason for requesting an adequate study of this matter in the interests of our farmers.

A suggestion was made that one of the necessary things is adequate farm prices. I do not know if the Minister of Agriculture (Mr. Hays) is aware of this fact, but within the last few days I was discussing with some of the farmers of Quebec the new price formula for milk. I asked them if this was going to have any beneficial effect on their income. The reply of these farmers was, and I hope the Minister of Agriculture recognizes this, that immediately upon the announcement that there was to be a set price for manufactured milk, the tests were dropped and a lot of the farmers are no better off now than they were before. I do not know where the fault lies, but it does seem again that even though the farmer is assured of a set price for his milk, those who buy it immediately drop the test rate and he is not going to be any better off than he was before. This is something which ought to be taken into consideration.

I should like to refer briefly to a statement appearing in the Throne Speech concerning agriculture policy. I quote from page 3 *Hansard* for April 5, 1965:

> My Government is developing new policies to enable farmers generally to achieve larger and more reliable incomes so that their living and working standards will be comparable to those enjoyed in other sectors of our economy.

Now, reference was made by the hon. Member for Durham (Mr. Honey) to the many plans the Government has, some of which have been implemented. However, I believe the Government would be well advised to accede to this request that has been made to establish some body, whether it is a Royal Commission or some other agency, to go into this matter in detail and come up with some satisfactory solution to it. The suggestion was made again this afternoon that possibly the appointment of a Royal Commission was not the best idea, because the Government might be handicapped in bringing in remedial legislation in the meantime. I do not believe that would slow up the Government at all. They are slow enough. I do not believe this would affect that particular problem. I believe the Government should take this suggestion seriously, which has been introduced in the form of this motion, and give adequate consideration to the problem involved.

Mr. John Mullally (Kings): In the few moments remaining, I cannot attempt to cover the various items to which I should like to refer in connection with this particular motion introduced by the hon. Member for Humboldt-Melfort-Tisdale (Mr. Rapp). I join in the views expressed by my colleague, the hon. Member for Durham (Mr. Rapp),

and tell him that we are concerned and interested in the problem, in the cost of farm machinery. However, I have to agree with my colleague and say it is not my view that a study by a Royal Commission will in any way assist in reaching a satisfactory solution of the problem.

There are three things I think I should mention very briefly, and which I think may help in reaching some satisfactory solution. They do not involve a study by a Royal Commission. First, I believe that the basis of the problem, and it is encompassed in the words of the resolution, is the fact that farmers are not receiving a fair return for their agricultural products. In order to enable farmers to buy machinery and to meet the other costs of farm operations, they must receive a better return for their agricultural products. Second, I think farmers will have to make more intelligent use of their farm machinery. In order to use machinery intelligently, they will have to have economic units. This most expensive and efficient machinery, such as we have today, cannot be effectively operated on a small farm. I feel, Mr. Speaker, that farmers should be encouraged to make a greater use of the legislation which has been enacted by this Parliament on the initiative of this Government. The hon. Member wishes them to acquire machinery, and they need to acquire it at a reasonable cost, at reasonable rates of interest.

An hon. Member: Six o'clock.

Mr. Mullally: May I call it six o'clock?

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, June 10, 1965

The House met at 2.30 p.m.

FINANCE

ANNOUNCEMENT OF TERMINATION OF MUNICIPAL LOAN LEGISLATION

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I undertook to make a statement this week concerning the Government's policy regarding the Municipal Development and Loan Act.

This legislation was passed in the summer of 1963 as one item in a broad program to increase employment. It authorized a total of $400 million in loans to municipalities up until the end of March, 1966. This sum was allotted by the statute among the provinces in proportion to their population. It offered an inducement for the acceleration of work on municipal construction projects by providing for forgiveness of 25 per cent of the principal amount of the loan in respect of all loans on projects which were completed by the end of March, 1966, or in respect of the amount of the loan that had been advanced up to that time for projects not completed by that date.

I am pleased to report that this legislation has been a great success. During the course of the last two years over 1,500 loans have been approved to nearly 1,000 municipalities. Municipal works projects have been accelerated in accordance with the purpose of the legislation, and employment on municipal construction projects has thereby been increased. Each loan has been made after certification by the appropriate municipal and provincial authorities that it would give rise to additional works projects that would not have been undertaken without such assistance. This test of "additionality" was one of the most important and difficult features of the legislation. I am glad to acknowledge the co-operation of the municipalities and the provinces in the administration of the plan.

The report of the Municipal Development and Loan Board for the fiscal year ended 31 March, 1965 will be tabled in the House shortly, and will contain details of the loans made.

One of the problems we have run into in the administration of the Act is the precise effect of the termination date in limiting the amount of the loan which can be forgiven. There is no problem in respect of projects completed before 31 March 1966. However, it has been found in practice that it takes time to check on the progress of work done on projects and make advances in respect of them. Moreover, the agreements with the provinces under Section 7 of the Act provide for certain procedures which also result in some time interval before the advances can be made equivalent to the value of the work done up to any particular date.

To meet this problem I am submitting in the supplementary estimates an item to provide for the forgiveness of that portion of the principal amount of the loan that is advanced after the 31st day of March, 1966, with respect to the costs incurred on the project up to that date. I think this will meet the chief problem that has been of concern to the provinces, the municipalities and the Board in the administration of the statute.

Some projects for which loans have been made or will be made under this legislation will not be completed before next spring. This was contemplated in the legislation and specific provisions made for it, as indicated by the arrangements I have just mentioned in respect of uncompleted projects. It seems probable that the major part of the 100 million of potential forgiveness will be earned by the municipalities.

The Government has given careful consideration to whether this legislation should now be enlarged or extended. There is no doubt that it has been a success in increasing employment on municipal projects, which was the purpose for which it was introduced. The economic situation since the time the program was introduced has improved markedly. The results of other Government measures are improving and sustaining the level of employment and the rate of economic growth. The rate of unemployment declined from 5.8 per cent, seasonally adjusted, in the first quarter of 1963 to 4.0 per cent in the first quarter of 1965. In many parts of the country it is now at considerably lower levels than the average for the country as a whole. Efforts to stimulate employment in the construction industry particularly by further measures

applicable in these areas would be inappropriate.

Furthermore, it would be quite impractical to endeavour to continue indefinitely to apply the "additionality" test in respect of municipal projects, and this is the key feature of this legislation. Such a test, though difficult, can be applied in respect of a temporary program covering a short period such as this was meant to be. It cannot be applied on a permanent basis.

I should remind hon. Members that this legislation was never intended to be a permanent source of loan finance for municipalities. It has of course been a most helpful source of finance for them during this period when acceleration of their programs was desirable.

The effects of the Canada and Quebec pension plans will be to build up funds available to the provinces. In the future these funds may be used to assist very substantially in the financing of capital projects both of the provinces themselves and, directly or indirectly, of the municipalities. These funds will be available at interest rates comparable with those provided for under this legislation. Consequently we see no need to continue this in a modified form simply as a source of loanable funds for municipal purposes.

Some suggestions have been made that the period during which forgiveness on the loans could be earned should be extended to enable some municipalities which did not take advantage of the loans at an earlier date to secure the benefit of this. The Government has considered this proposal and has come to the conclusion that to adopt it would not be fair to those municipalities which made great efforts to expedite their work in accordance with the essential purpose of the legislation. Moreover, we must recognize that if we introduce proposals such as this, intended to expedite projects at a time when additional work is desirable, and then modify them to make the benefits available over longer periods, we tend to undermine the effectiveness of any such action in the future.

If at some future time a change in economic circumstances should make it appropriate or necessary for the Federal Government to offer inducements to expedite capital projects generally or those in any particular field such as municipal projects, the Government will be quite prepared to consider them and to consult with the Provincial Governments concerning them. Should the result of such consideration and consultation lead to the conclusion that action along these lines would be desirable, we will not hesitate to place proposals before Parliament designed to attain this end. It would be best, however, if such proposals were specifically tailored to the situation then prevailing, taking into account the experience we have had with the Municipal Development and Loan Act as well as with other measures that have been introduced in the past two years and in earlier periods.

[Mr. Gordon.]

Hon. Michael Starr (Ontario): Mr. Speaker, two years ago when the Minister of Finance announced the Municipal Development and Loan Act he did so with the aid of a tremendous propaganda machine which inflated the plan all out of proportion in the minds of the people and gave the impression that something was going to be done together with the provinces to provide employment in Canada. The plan was actually inflated beyond its real worth, because only two years later the Minister is now telling us he is going to drop it.

Only 1,000 out of some 4,500 municipalities in Canada have participated in the plan and the reason they did so was that they were able to get at a lower rate of interest the same loans they would have obtained in any event, and in addition there was a 25 per cent forgiveness clause. Even so, only 1,000 out of some 4,500 municipalities took advantage of the plan. This in itself shows that the plan has been a complete failure—

Some hon. Members: Oh, oh.

Mr. Starr: —because no work was undertaken under the plan that would not have been undertaken ordinarily, since municipalities do not obtain loans or undertake projects they do not need. These projects would have been undertaken in any event, and the benefit the municipalities derived was in the fact that they were able to get a low interest rate and forgiveness of 25 per cent of the cost of the project if completed by March 31, 1963.

I do not see the reason for dropping this plan at this moment, because I feel that those who would like to participate in it should have been given an opportunity to do so, even though the plan has not been a success in any manner or form, nor has it lived up to the propaganda the Minister attached to it.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, there will be widespread disappointment at the announcement which has just been made by the Minister of Finance to

the effect that the Government does not intend to continue and expand the municipal development and loan legislation. Municipalities which have had applications before their respective Provincial Governments for some time, only to find that the funds allocated to those particular Provinces have been depleted, will now be rejected completely for no other reason than that they happened to be at the bottom of the list and their applications were not processed before the funds ran out. It seems to me most unfair that those municipalities whose applications were late in being dealt with, through no fault of their own, are not to have the benefit of this legislation.

The reason given by the Minister for not asking Parliament to increase the funds available under this legislation is that the unemployment situation is now satisfactory. This will be news to the people across Canada when the unemployment figure is still much higher than in most of the countries of Western Europe. If the Government are going to discontinue this plan on the ground that unemployment is not a serious problem, then at least they ought to continue the plan in those areas where the unemployment figure is above the national average. To wipe it out all across Canada on the ground that the Minister of Finance, sitting in his ivory tower, thinks that unemployment has disappeared will arouse a great deal of resentment in Canada.

The impression this Government gave, both prior to the election and at the time this legislation was introduced, was that the Municipal Development and Loan Act was a response to the requests of Provincial Governments and the conference of mayors and municipalities for a municipal loan bank or a permanent municipal fund upon which municipalities could call for assistance. This has certainly been the impression which the Liberal Party has sought to create in Canada. Now the Minister tells the municipalities this was only a temporary measure, that the funds have been exhausted and he does not intend to continue the program.

This will cause a great deal of discontent and dissatisfaction. The Government is now passing up a golden opportunity to participate in the improvement of municipal services in Canada. We in this party have been claiming throughout the years that Canada has starved its municipal and social services, and the fact that municipalities now will not be able to get the benefits of this legislation means that many municipal projects which otherwise would have been proceeded with will have to be forgotten.

I think, Mr. Speaker, that the municipalities will be extremely disappointed, and I am certain the Minister has not heard the end of this matter.

[*Translation*]

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, it seems regrettable that the hon. Minister of Finance (Mr. Gordon) should announce that the loans to municipalities will be discontinued, in view of the number of such loans which were granted during the short period that the act was in force. In fact, 1,500 loans were granted to 1,000 municipalities. This shows that municipalities must borrow in order to carry out their plans for beautifying and improving their communities. Henceforth, they will be prevented from taking advantage of loans at reasonable interest rates.

On the other hand, we are aware of all the loans which are contracted through investment brokers. Naturally, a very small amount of money was borrowed through this act, because hundreds of millions were loaned through stock brokers. But to date, Mr. Speaker, the act has not gone far enough. We should have set up a municipal credit bank as advocated by us in this house. I think this would be the right time to set up such a bank in order to lower municipal taxes and provide for certain developments as suggested by the hon. Secretary of State (Mr. Lamontagne) in the wonderful speech he made yesterday or a few days ago, when he urged municipalities to make all kinds of developments and improvements in connection with the confederation centennial. Only a municipal credit bank could make such loans at the administrative rate to enable municipalities to carry out those projects.

Someone suggested a while ago that such a loan system should be maintained in underdeveloped areas. Of course, it is a very interesting suggestion, because underdeveloped areas need loan facilities at reduced rates more than others.

Mr. Speaker, I therefore urge the Minister of Finance to reconsider his decision and to take into consideration the setting up of a municipal credit bank which would assist our municipalities by lending them money at the administrative rate.

Mr. Réal Caouette (Villeneuve): Mr. Speaker, we are very pleased to hear the Minister of Finance (Mr. Gordon) tell us

about the success of the Municipal Development and Loan Act.

In fact, the Minister has announced that almost 1,500 loans were made to some 1,000 Canadian municipalities and have proven themselves to be an efficient weapon against unemployment, that the municipalities which have borrowed at a reasonable interest rate have enjoyed advantages unknown to them previously.

That leads me to say to the Minister of Finance that as a result of our numerous suggestions since he has taken over his department, he is not so dumb; when we ask him to provide the provinces with the necessary funds for their development enabling them to help the municipalities and the school boards with interest-free credit created by the Bank of Canada, he knows that such legislation makes sense and could be passed by the house.

Should he do so, I am convinced he would be highly satisfied to have been of service not only to a section of the people but to every Canadian and he would realize what a tremendous success it would be to finance without interest the whole Canadian public administration so that the taxpayers would not have to pay two or three times for the services available to them. Is there a municipality today which does not need improvement or economic development?

Instead of informing us that this scheme will be discontinued on March 31, 1966, the Minister of Finance should inform us that as of now he will follow a new policy, making the services of the Bank of Canada available to the provinces, the municipalities and school boards of our country.

[*English*]

HOUSE OF COMMONS

TWENTY FIFTH ANNIVERSARY OF DEATH OF HON. NORMAN MCLEOD ROGERS

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I beg the indulgence of the House to permit me to refer to the tragedy of 25 years ago today, when a former Minister of National Defence was killed in an airplane crash.

The late Norman Rogers was honoured on June 12, 1940, by burial from the Houses of Parliament. Born at Amherst, Nova Scotia, in 1894, Norman Rogers served Canada in many capacities. He was Minister of Labour in the Mackenzie King government from 1935 to 1939, and from 1939 until his death was Minister of National Defence. An extract from the diary of the late Right Hon. Mackenzie King reads:

> As long as Canadian history continues to be recorded, Rogers' name will have its association with the Houses of Parliament as the first person to be honoured by burial from its Hall of Fame. This truly is as it ought to be.

I know that all hon. Members of the House will wish to join in paying tribute to the memory of this great Canadian, the late Hon. Norman McLeod Rogers.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, time flies and these events sometimes are effaced in memory. I remember that day very well. I asked Hon. Norman Rogers the last question that he was asked before he left on that fateful trip. Norman Rogers was a man who had a wide variety of avocations; an outstanding student, a fine parliamentarian, soldier of distinction in the First World War. Parliament and Canada were poorer when he passed away.

Some hon. Members: Hear, hear.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I associate the members of this group with the remarks that have been made on the twenty fifth anniversary of the death of Hon. Norman Rogers. I had the privilege of sitting in the House with him and I know of the great public service he gave to Canada. I also remember the great shock that was felt throughout this House when the news came of his untimely death. I think the Minister has done well to remind Parliament and the Canadian people, on the anniversary of his death, of the fine service which he rendered to his country.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, it was not my privilege nor that of anyone in our party to have known Hon. Norman Rogers personally, but certainly on many, many occasions I have heard him spoken of very highly, and we recognize the service that he gave to his country. I too remember the day very well, from outside this House, when that unfortunate accident took place. We join the Minister of National Defence and on this twenty fifth anniversary add our own words of remembrance of the service of this distinguished Canadian to his nation.

Hon. J. R. Nicholson (Minister of Citizenship and Immigration): Mr. Speaker, if you would pardon a personal note, when I was a very young man I had the honour and privilege of rooming with Norman Rogers during

the period when he was a student at Dalhousie Law School. There was not a day that I was with him that I did not benefit from that association. I would like to add my personal tribute to those of the Minister and the others who have spoken.

Mr. Raymond Langlois (Mégantic): Mr. Speaker, on this occasion we of this party would like to underline with the Minister of National Defence this twenty fifth anniversary of the death of the late Minister of National Defence. We think of all the good this man did, not only for his country but for mankind. It also makes us think that we should try to build more men of that calibre, not that they might have such fatal accidents as a result of which the late Minister died, but so they can be a guiding light to men of this country in the future. I believe the Minister has done a very good thing today in reminding us of this twenty fifth anniversary.

DIVORCE

MEASURE TO PROVIDE FOR EXTENSION OF GROUNDS

Mr. Arnold Peters (Timiskaming) moved for leave to introduce Bill No. C-114, to provide in Canada for the dissolution and the annulment of marriage.

Some hon. Members: Explain.

Mr. Peters: Mr. Speaker, in introducing this Bill today I am reminded of statements that have been made in a number of provincial parliaments, including the recent one by Andy Thompson, the leader of the Liberal Party in Ontario, who has indicated that a vehicle must be provided for improving the divorce legislation of our country.

The Federal Government, of course, must pass the substantive legislation. I have suggested in this Bill provisions that some of our sister Commonwealth countries such as New Zealand and Australia have recently brought into their legislation, in adding to adultery, which is now the only ground for divorce in the majority of the Provinces of Canada, the grounds of desertion over a period of three years, cruelty and incurable insanity.

I put forward this measure only as a vehicle for the Government so they may provide a vehicle to the Provinces which are now crying out for this type of legislation.

Motion agreed to and bill read the first time.

Inquiries of the Ministry

BANK ACT AND QUEBEC SAVINGS BANKS ACT

EXTENSION OF CHARTERS TO DECEMBER 31, 1965

Hon. Walter L. Gordon (Minister of Finance) moved that the House go into Committee at the next sitting to consider the following resolution, which has been recommended to the House by His Excellency:

That it is expedient to introduce a measure to amend the Bank Act and the Quebec Savings Banks Act to extend to December 31, 1965, the authority to carry on business for the banks to which these Acts apply.

Motion agreed to.

FINANCE

INQUIRY AS TO POSSIBLE TAX REDUCTIONS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, following the extraordinary announcement made by the Minister of Finance today I am wondering whether he is giving consideration to other action to be taken before we adjourn, namely action for the reduction of taxation as demanded by such business leaders as the president and retiring president of the Canadian Manufacturers Association, all of this in view of the further decline today in the stock markets in Canada and the United States. What has the Government in mind to meet a situation so paradoxical as is occurring at the moment?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, if my right hon. friend will have patience until the beginning of next week, I hope to move the resolution that was forecast in the budget proposing a reduction in personal income taxes of 10 per cent—

Some hon. Members: Oh, oh.

Mr. Gordon: —the greatest reduction in 12 years.

Mr. Muir (Cape Breton North and Victoria): You mean you got the biggest raise.

Mr. Diefenbaker: The hon. gentleman spoke with enthusiasm on that because he benefits to the extent of $600. I had nothing to do with bringing it in, but the hon. gentleman did. I would ask the hon. gentleman this question. In view of the fact that he and many of those associated with him today on the Government benches voted in favour of interest free loans from the Bank of Canada

in November 1962, and supported the principles of Social Credit, does he not think that if he was sincere at that time this would be one time when he should fall in line with the views that he voted for?

Mr. Gordon: Mr. Speaker, I tried to follow that question. It seems to me the right hon. gentleman was emulating the style of the Secretary of State for External Affairs.

Mr. Starr: Wait till he hears that.

Mr. Bell: You would not say that if he was there.

Mr. Gordon: If I am right in thinking the right hon. gentleman was asking me whether the Government favoured the policies put forward by the Social Credit party, the answer is no.

Mr. Starr: Then why did you vote for them?

Mr. Diefenbaker: Well, so there is no mistake, has the hon. gentleman changed his views since he voted in favour of this, something which we voted against but which he and his associates supported?

An hon. Member: Yes or no?

MUNICIPAL DEVELOPMENT LOAN FUND—USE OF UNALLOTTED AMOUNTS

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, perhaps I can get the Minister of Finance to shed his veil of silence by asking him a question with respect to the municipal development and loan fund legislation regarding which he made an announcement this afternoon. Could the Minister tell the House whether all the funds which were voted by Parliament are likely to be used up? If they are not completely depleted in all the provinces, is there any possibility that whatever is left could be allocated to the provinces which have already reached their maximum allocation but still have applications on hand?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, it is difficult to say categorically that the funds allocated to every province will be used up to the extent of the full 100 per cent, because it is too soon; this program has another nine months to run. Therefore, as I cannot forecast this particular matter, I think it would be inappropriate for me to indulge in speculation.

Mr. Douglas: A supplementary question. Could I ask the Minister whether the Government would give consideration at least to processing the applications which provincial governments have on hand? This may require additional funds but would not need a great amount in addition, and would also not penalize the municipalities whose applications were late in being dealt with.

Mr. Gordon: Mr. Speaker, I am sure my hon. friend and all other hon. Members of the House who recall the passage of this legislation, which I was glad to hear others agree has been a great success, know that the administration and allocation of the funds as among municipalities was left, and properly so, to the provinces concerned. In some cases, I think in most cases, the provinces felt that only they were in a position to determine whether it was wise for a particular municipality to be granted a loan for a particular purpose. To suggest that the Federal Government should interfere in this arrangement which has worked very satisfactorily would not, I think, be a wise suggestion to accept.

Mr. Douglas: A supplementary question. Surely the Minister is aware that I did not suggest interference. I asked the Minister whether the Government was prepared to consider providing additional funds to cover applications which were already on hand to be processed in those provinces where the funds which were allocated have been depleted.

Mr. Gordon: I apologize if I misunderstood my hon. friend's question. The processing of these applications is a matter for the provinces. They have held some of them up, presumably intentionally. They knew how much money was available for the municipalities in their provinces and they proceeded to allocate it as they thought best. I think it would not be the intention of the Government in any way to interfere in that process.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I would like to ask a supplementary question.

The Minister of Finance just said that all those loans to municipalities are usually approved by the provinces. Did the federal government ever make a loan directly to a municipality?

If the municipality must apply to the provincial authorities in the first place, and if the latter then apply to the federal government in order to obtain the required funds, can the Minister of Finance tell us if the

federal government has made a direct loan to a municipality in Canada? In other words, must the municipalities go through the provinces in order to obtain a loan?

[*English*]

Mr. Gordon: In almost all cases, Mr. Speaker, it is the province that decides, as my hon. friend has suggested. But under the Act there is provision for the Federal Government to act directly if the province concerned wishes it to do so, and I think this was the case with one or two provinces.

Mr. G. L. Chatterton (Esquimalt-Saanich): A supplementary question, Mr. Speaker. It might be the case that the $400 million appropriated by Parliament would not be used up at the end of the program. Would the Minister consider giving a further allocation to the provinces which have exhausted their funds, on the understanding that any applications outstanding would be financed only if any money was left over from the $400 million?

Mr. Gordon: I think, Mr. Speaker, I have made this reasonably clear. I have pointed out to my hon. friend that this particular measure was designed to spur employment opportunities quickly, and it succeeded in doing that. It was not intended as a permanent source of finance for the municipalities. Parliament in its wisdom decided that the program should terminate on March 31, 1966. That is provided for in the Act. Unless the Act is changed that is what will take place, and I have been saying that we are not proposing to change the act.

Mr. Heath Macquarrie (Queens): Mr. Speaker, since the Minister has become a coiner of words as well as a minter of money, will he take steps to suppress that horror which he used twice today—"additionality"?

Mr. Gordon: Mr. Speaker, I have already had a note of protest about this particular word from the hon. Member for Nanaimo-Cowichan-The Islands. When I came to the word some hon. Members may have noticed that I paused—I paused or choked—because I did not like it. It is a form of jargon which I deplore. However, it has been widely used, and I did not think it was up to me at this late date to choose another word.

Inquiries of the Ministry

NATIONAL DEFENCE

PARTICIPATION BY ARMED FORCES IN LOCAL EVENTS

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, the basis for my question is the military parade which will take place on Saturday, which I think most of us agree is a very good thing. However, it is apparently contradictory to the policy of the Government in refusing requests for participation in local parades, air shows and local fairs across the nation. I am referring specifically to the refusal of a request for the traditional fly-past at the opening of the exhibition in my home city, an event which has been carried on for 25 years, and the air show on the Pacific coast, which has recently been rejected—

Some hon. Members: Order.

Mr. Thompson: Is the Minister considering reversing this policy so that our permanent military forces can take part in these local fairs and air shows across the nation?

Hon. Paul Hellyer (Minister of National Defence): The policy which has been in effect for a number of years does make provision for participation in the celebration of armed forces days across the country and at the international air show in Toronto, the Calgary air show and so on. With respect to participation by planes in local activities, this question is under study to determine whether the regulations can be relaxed. As soon as a decision has been taken I will be glad to inform the hon. Member.

Mr. W. B. Nesbitt (Oxford): Can the Minister of National Defence tell us the approximate cost of the super-spectacle on Saturday?

Mr. Hellyer: The Associate Minister has taken this question as notice and I think he will be answering it in a day or two.

WATER LEVELS

QUEBEC—LETTER RESPECTING RAIN MAKING OPERATIONS

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to direct a question to the Minister of Transport.

Can the minister tell us whether he has received today a letter from the Weather Engineering Service, and can he also tell us

whether he has acknowledged the order issued by Mr. René Lévesque, the Quebec Minister of Natural Resources, for good weather and sunshine over the Saguenay-Lac-Saint-Jean area?

[*English*]

Hon. J. W. Pickersgill (Minister of Transport): Yes, Sir. I have received a letter from Mr. Power, and it is not exactly the kind of letter I expected to receive from him. I have also read certain observations about this gentleman made by Mr. René Lévesque, and this is one occasion upon which I am inclined to agree with Mr. Lévesque.

PARLIAMENT HILL

PROVISION FOR PARKING FOR TOURIST BUSES

On the orders of the day:

Mr. Lloyd Francis (Carleton): I wish to address a question to the Minister of Public Works. Is the Minister prepared to make any announcement with regard to temporary parking for the buses which bring tourists and school children to this House? A large percentage of them are obliged to travel around the city for lack of temporary parking facilities. Is there a possibility of using the site formerly occupied by Laurentian Terrace, on Sussex Street, for this purpose?

Some hon. Members: Order paper.

Mr. Speaker: I realize the importance of this question, and I believe the matter has been under consideration for some time. However, it seems to me the question is one which should be put on the order paper.

FORESTRY

REMOVAL OF DEPARTMENT LABORATORIES TO SAULT STE. MARIE

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to direct a question to the Minister of Forestry.

An hon. Member: Ten o'clock.

Mr. Fisher: I was waiting to see whether the Minister was listening. I understand the Minister is reviewing a decision whether to concentrate federal forestry research at Sault Ste. Marie or at Richmond Hill—Maple. In view of information reaching me that preparations are under way for a move to Sault Ste. Marie, has the Minister any further information to give the House?

[Mr. Grégoire.]

Hon. Maurice Sauvé (Minister of Forestry): There is no change in the announcement made on February 18.

Mr. Fisher: I wonder whether the Minister may be spending so much time reforming the Liberal Party in Quebec that he has not got around to making a decision.

FISHERIES

NORTH PACIFIC TREATY—DATE OF MEETING

On the orders of the day:

Hon. J. A. MacLean (Queens): I should like to address a question to the Minister of Fisheries and ask him whether a date has yet been set for this year's meeting regarding the North Pacific Fisheries Treaty, which I understand is to take place in Washington. In the light of the importance of the matters to be discussed at this meeting I think it is desirable we should know when it is to be held.

Hon. H. J. Robichaud (Minister of Fisheries): No specific date has been set. As the hon. Member knows, I have already stated in the House that the United States will be the host country for this meeting. It is proposed to hold it some time this fall, but no specific date has been set.

PRIVILEGE

MR. SOUTHAM—REPLY TO QUESTION ON ORDER PAPER

On the others of the day:

Mr. R. R. Southam (Moose Mountain): I wish to rise at this time on a question of privilege. It has to do with a question that I placed on the order paper on May 18 and the answer I received yesterday. The question was answered by the Minister of Trade and Commerce; I am sorry he is not here today to listen to this.

In order to place my question of privilege clearly before Members of the House I should like to refer to *Hansard* of June 9, page 2153, and read the question with the answers I received. The question is listed as No. 496, and it is in my name. It has to do with control of expenditures in connection with Expo '67. We are all aware that this is a subject which is exercising the minds of the public at the present time; they would like to have further information regarding this exhibition. This is the question I asked:

1. What controls are exercised by the Federal Government to prevent wasteful and improvident expenditures being made by the Director of Expo '67?

2. In how many instances, with the amounts thereof in each case, to date have expenditures been (a) disallowed, and in what amounts (b) reduced, because of objections thereto taken by representatives of the Department of Trade and Commerce?

This is the answer given by the Minister of Trade and Commerce:

1. The control of expenditures exercised by the management of the Canadian World Exhibition Corporation is based on the requirements set forth in the incorporating Act and involves:

(a) the approval of the Governor in Council and the Lieutenant Governor in Council of the over-all plan for the Exhibition, setting forth the various undertakings and projects proposed by the Corporation in connection with the planning, organizing, holding and administering of the Exhibition, the estimated cost of each such undertaking or project and an estimate of the total capital costs and operating costs of the Corporation—

Hon. J. W. Pickersgill (Minister of Transport): I wonder whether the hon. gentleman could tell us the nature of the question of privilege before he reads at length from *Hansard.*

Some hon. Members: Hear, hear.

Mr. Speaker: I was about to suggest to the hon. Member that if he would state his question of privilege we could probably dispense with a little of the preamble.

Mr. Southam: I am almost finished. I will read the balance of it.

Some hon. Members: Oh, oh.

Mr. Speaker: Order. The hon. Member was requested by the Chair to skip the extraneous part of the preamble. The material is on record in *Hansard* already. Perhaps he would come directly to his question of privilege in order to save the time of the House.

Mr. Southam: Thank you, Mr. Speaker. My question of privilege is this, and I think it will be evident to every hon. Member who will read the answer I received. This answer is completely evasive and I think is entirely misleading to Members of the House. I intend to reintroduce part of this question which was on the order paper in the hope that I may receive a complete answer.

SHIPPING

INQUIRY AS TO RESUMPTION OF SHIPBUILDING SUBSIDIES

On the orders of the day:

[*Translation*]

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

Inquiries of the Ministry

Does the government intend to adopt a shipbuilding subsidy policy in order to promote the development of a genuine Canadian merchant marine and, at the same time, help reduce unemployment in Canada?

[*English*]

Hon. J. W. Pickersgill (Minister of Transport): The hon. gentleman was good enough to send me the press clipping upon which he based his question. It raises broad matters of policy which cannot possibly be answered in response to a question asked on orders of the day.

PUBLIC WORKS

BRITISH COLUMBIA—USE OF PRISON LABOUR IN PENITENTIARY PAINTING

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I desire to direct a question to the Minister of Public Works. Notice has already been sent to him. My question is of an urgent nature because the affirmation or reconsideration of the decision which is involved requires immediate attention.

I should like to ask the Minister whether he is in receipt of a telegram from the painter's union in Vancouver protesting the intended use of penitentiary inmates to do the painting work on the new—and I repeat the word "new"—multimillion dollar Federal Drug Institution being constructed in British Columbia. If so, what consideration is being given to the request of the union that on new construction—and again I emphasize the word "new"—penitentiary labour should not be used?

Hon. Lucien Cardin (Minister of Public Works): I have received the telegram to which the hon. Member refers. It is true that inmates are to be used for the interior painting of a penitentiary. Whether the penitentiary is new or whether the work is to be done in connection with maintenance does not change the principle.

I must say I am a little surprised at the attitude of the union in this matter, because I think all hon. Members know that under the Department of Justice rehabilitation is an increasingly important objective of our penal institutions. In that regard this type of work and other work comprise part of the inmate training program which has been quite successful in rehabilitating inmates.

Mr. David Orlikow (Winnipeg North): A supplementary question, Mr. Speaker. Since inmates of the penitentiary are being used

to do work that would ordinarily be done by others at regular rates of pay, will the Department together with the Department of Justice give consideration to paying the inmates regular wages which would be held and given to them on their release? That would really help to rehabilitate them.

Mr. Cardin: Mr. Speaker, I will be happy to discuss this matter with the Minister of Justice.

AGRICULTURE

QUEBEC—PROPOSED MARCH OF FARMERS ON OTTAWA

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lac-Saint-Jean): Mr. Speaker, I should like to put a question to the Minister of Agriculture concerning a decision that has just been made by the members of the U.C.C. of the Saguenay-Lac-Saint-Jean area, namely that they will march on Ottawa.

Is the Minister of Agriculture aware that such a decision has been taken unanimously by the farmers of the Saguenay-Lac-Saint-Jean area, and is he getting ready to receive them, to listen to their point of view, in order to find a solution to their problem?

[*English*]

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, we are willing, of course, to listen to any group of farmers who may come to Ottawa. As hon. Members know, the responsibility for providing relief for crop disasters is that of the Provincial Government. The Federal Government does, however, have a crop insurance scheme under which it will contribute to provincial programs 20 per cent of the total premiums and 50 per cent of the operation costs.

In so far as assisting agriculture is concerned, I should like to point out that during 1964, for example, Federal grants and subsidies paid to agriculture in the Province of Quebec amounted to $41,433,000, which was approximately 28 per cent of the total payments made across Canada. On a per farm basis Federal assistance during that year in the Province of Quebec averaged $432 per farm compared with the national average payment per farm of $304.

Hon. Paul Martineau (Pontiac-Témiscamingue): A supplementary question, Mr. Speaker. The farmers of the Lake St. John region apparently are plagued by too much rain, but I want to ask the Minister whether he is contemplating any emergency measures to help those farmers of the Ottawa valley who are affected because there is not enough rain, with the result that drought conditions are the worst in many years.

[Mr. Orlikow.]

Mr. Hays: Mr. Speaker, in this regard one does not know if one is afoot or on horseback. I can assure the hon. Member that we are very sympathetic to the farmers of both regions. So far as the Lake St. John area is concerned, I do not think the Federal Government has any responsibility with regard to rain making.

Mr. Martineau: Mr. Speaker, I am more interested at the moment in the farmers of the Ottawa valley. I am sure the Minister has received representations from many associations of farmers in that area. Has he taken note of these representations, and is he taking any special steps?

Mr. Hays: Mr. Speaker, these representations should first be made to the Province. In this regard may I say that on Tuesday afternoon in Toronto I discussed the drought problem with the Ontario Minister of Agriculture. We are all greatly concerned about this matter, but at the moment we have had no representations from the Province.

ROYAL CANADIAN MOUNTED POLICE

QUEBEC CITY—SECURITY REPORTS IN ENGLISH ONLY

On the orders of the day:

[*Translation*]

Mr. Robert Beaulé (Quebec East): Mr. Speaker, I should like to direct a question to the Minister of Justice.

Is the minister now in a position to reply to the question I asked him on May 12 concerning the preparation of the R.C.M.P. reports at Quebec harbour?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, all members of the R.C.M.P. at Quebec harbour are bilingual and may use any one of the two official languages. However, they have had verbal instructions to report any complaint they receive in the language it was made. As for administration directives dealing with security, they are all given in both French and English.

[*English*]

AIR TRANSPORT

AUTAIR HELICOPTERS LTD.—APPEAL FROM BOARD ORDER

On the orders of the day:

[*Translation*]

Mr. Fernand E. Leblanc (Laurier): Mr. Speaker, I should like to direct a question to the Minister of Transport.

Did the minister receive a notice of appeal from Autair Helicopter Services Limited concerning Order No. 4245 of the Air Transport Board and, if so, could he tell the house how he dealt with that appeal?

[*English*]

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I did receive such an appeal, and I disposed of it yesterday by allowing the appeal which asked that the suspension of the licence should not take place until there had been a public hearing. It might be convenient for hon. Members if I were to table the three documents concerned, the order of the Board, the appeal and the judgment I made on the appeal.

Hon. Paul Martineau (Pontiac-Témiscamingue): A supplementary question, Mr. Speaker. In view of the fact that about 100 persons now employed will be thrown out of work because of the order of the Air Transport Board, will the Minister consider staying the suspension of the firms operations until the appeal has been disposed of?

Mr. Pickersgill: That is precisely what I did, of course, by allowing the appeal. The appeal was against suspension before a hearing had been held, and I agreed with the appellant that a hearing should be held before there was any suspension of the licence.

Mr. Martineau: Is the Minister then stating that the company will be allowed to continue its operations pending the appeal hearing?

Mr. Pickersgill: That is precisely the purport of the judgment, which the hon. Member can read.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Lawrence E. Kindt (Macleod): Mr. Speaker, I should like to direct a question to the Minister of Finance. What action do he and the Government intend to take to prevent the flight of capital from Canada resulting from the drop in the stock market and the policies of the Government?

Mr. Speaker: Order, please. I find this question extremely interesting but I do not see how in the next two or three minutes it is possible to give a detailed reply to this very important question.

COMMONWEALTH RELATIONS

REPORTED PROPOSAL FOR ESTABLISHMENT OF REPESENTATIVE ASSEMBLY

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, in the absence of the Prime Minister and the Secretary of State for External Affairs, both for a very good reason, I should like to direct a question to the Acting Prime Minister. Has the Government of the United Kingdom or the Secretary of State for Commonwealth Relations, Right Hon. Arthur George Bottomley, indicated to the Canadian Government that at the Prime Ministers' Conference a recommendation will be made by that Minister for the setting up among the Commonwealth nations of a representative assembly? What is going to be the attitude of Canada in this regard? I ask this question because there is no possibility of discussing this matter; and may I indicate at once that in asking the question I am not giving any support whatever to the suggestion.

Hon. J. W. Pickersgill (Acting Prime Minister): Mr. Speaker, in the first place, obviously this is a question with regard to which I have no information. I have not heard of any such proposition but in any case I would hesitate, with my limited capacities, to answer it. The Prime Minister will be in his place tomorrow, and I am sure he will be glad to have had notice so he can prepare the very careful reply that I am sure he will wish to make to so far reaching a suggestion.

CANADIAN CENTENNIAL

MEETING BETWEEN MEMBERS OF PARLIAMENT AND COMMISSION MEMBERS

On the orders of the day:

[*Translation*]

Mr. Gustave Blouin (Saguenay): Mr. Speaker, I should like to direct a question to the Secretary of State.

Could he tell the house whether a date has been set for a meeting of hon. members

of parliament with the members of the Centennial Commission concerning the programs and projects of that commission?

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, the date was suggested and even set for next Tuesday, at 9:30 a.m. in room 307 of the West Block.

[*English*]

INDUSTRY

STEPS TO MEET REPORTED STEEL SHORTAGE

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I should like to direct a question to the Minister of Industry. In view of the increasingly grave shortage of steel in Canada and the consequent serious increase in the number of lay-offs in secondary industry all across the country, what emergency measures are being taken by the Government to relieve this shortage of steel and thus prevent further lay-offs in secondary industry dependant on steel supplies?

Hon. C. M. Drury (Minister of Industry): During the past 12 months there has been a substantial increase in the demand for steel in Canada. This has been consequent upon the upsurge in economic activity. This has been met in the interim by a significant increase in imports, mostly from the United States and Europe, as well as by bringing on stream a substantial amount of new Canadian production. I think the shortages and the time lag on deliveries which has been experienced over the last 12 months are likely on the way to being cured.

Mr. Nesbitt: If these shortages should continue and increase—I realize this question is slightly hypothetical—would the Minister give consideration to recommending to his colleagues that the import duties on steel from certain countries be temporarily withdrawn until the shortage is over?

Mr. Drury: While accepting this as a hypothetical question, I may say that it would not be apparent to me that a change, temporary or otherwise, in the tariff on steel would materially affect the supply.

[*Translation*]

Mr. Marcel Lessard (Lac-Saint-Jean): Mr. Speaker, I should like to direct a supplementary question to the Minister of Industry. Could he tell the house whether the Quebec authorities, in order to achieve their SIDBEC project, have requested the good offices of the federal government, from the technological, scientific as well as monetary standpoints?

Mr. Drury: Mr. Speaker, there have been discussions about SIDBEC between officials of the federal Department of Industry and those of the provincial department. Moreover, the federal authorities are always ready to give as much help and advice as possible.

[*English*]

BROADCASTING

INQUIRY AS TO REPORT OF FOWLER COMMITTEE

On the orders of the day:

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I should like to direct a question to the Secretary of State.

I have been asking him repeatedly now for the past three or four months what the C.B.C. intends to do concerning extension of its radio and television services in British Columbia to serve the French population of that province. But the Secretary of State has always replied that the Fowler Commission would be presenting its report.

Furthermore, that report was to be presented in May. This is mid-June and we do not have it yet. Could the Secretary of State tell us today when that famous Fowler Commission report will definitely be presented and, more particularly, when the French speaking citizens of British Columbia will receive the same treatment by the C.B.C. as their English fellow citizens of the province of Quebec?

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, because of very complex studies, the publication of the Fowler Commission report has been delayed, but Mr. Fowler assured me recently that the report would definitely be ready and published early in September.

My hon. friend can be assured that, as soon as the Fowler Commission recommendations are received, action will be taken as quickly as possible.

[*English*]

Mr. Robert Simpson (Churchill): May I ask a supplementary question of the Secretary of State. In view of the fact that this time last year it was indicated the Fowler report would be ready early this year, and in view of the fact that it has been postponed on three or four occasions, will the Secretary of State not consider asking the Government to give consideration to making the grant suggested

by the C.B.C. to carry out this extension of service, which is greatly needed in the north?

Mr. Lamontagne: The Government is of the view that we should wait for the recommendations of the Fowler Committee. Since this is the most serious investigation which has ever been made into broadcasting in Canada, I do not believe a study of a year and a half is too long.

Mr. D. M. Fisher (Port Arthur): I should like to ask the Secretary of State if he would consider approaching the Board of Broadcast Governors and asking them to suspend any awards or grants of licences for the extension of service until we have the Fowler Commission report.

Mr. Lamontagne: Well, Mr. Speaker, I should like to check on this, but my view is that the freeze on the extension of alternative service is still on.

Mr. Fisher: May I ask a supplementary question. I would refer the Minister to the hearings that are being held next week at which both the C.B.C. and a number of private stations have applications for extension of service. In view of the fact that the Minister does not seem to be informed of this, I wonder if he could look into the matter a little more thoroughly.

Mr. Lamontagne: I will.

Mr. Simpson: I wonder if the Secretary of State could inform the House how the Government can justify waiting until the Fowler Committee makes this report before approving any further extensions of service, when they allow the capital expenditures of the C.B.C. to carry on into the hundreds of millions of dollars when for a few million dollars they could extend services. How can this be justified?

Mr. Lamontagne: I should like to tell my hon. friend that the extension of service has not been stopped, and there are several millions included in the C.B.C. estimates for this year for that purpose.

[*Later:*]

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I have a supplementary question for the Secretary of State.

Should the Fowler Commission recommend in its report the extension of the C.B.C.'s French network wherever there is a French speaking minority, can the Secretary of State assure the house that the Government will ask the C.B.C. to give effect to such a recommendation?

Mr. Lamontagne: Mr. Speaker, the party to which I belong has already taken a very definite position on that matter.

[*English*]

HOUSE OF COMMONS

CONSIDERATION OF STAFF BOARD REPORT ON STAFF

On the orders of the day:

Mr. Lloyd Francis (Carleton): I should like to ask the President of the Privy Council if he has any further information on the subject of increases for certain members of the staff of the House.

Hon. G. J. McIlraith (President of the Privy Council): Mr. Speaker, as indicated yesterday this matter has been considered and a decision taken. As I understand the practice, it is that the report is printed in *Votes and Proceedings.* This will be done in due course.

TRANSPORT

MARITIME PROVINCES—REQUEST FOR FREEZE ON FREIGHT RATES

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): I should like to direct a question to the Minister of Transport, since this might be my last opportunity to do so before a time limit on questions is imposed next week. Might I ask the Minister if he has seen a resolution passed by the Maritime Provinces Board of Trade in Saint John this week which urges a freeze on all rail freight rates in the Maritimes pending the study the Minister announced at the beginning of the week. If so, does this commend itself to the Minister?

Hon. J. W. Pickersgill (Minister of Transport): I thought from the preamble to the hon. gentleman's question that he was about to go to another place. I am relieved to discover that he is going to stay here to enjoy the new regime.

In reply to the question, I may say I have no doubt that a communication is on its way to me from the Maritime Provinces Board of Trade. I did note the press report to which the hon. gentleman referred. I have had similar representations from other bodies in the Atlantic Provinces and the matter, of course, will receive the most careful consideration.

Inquiries of the Ministry

Mr. Bell: In this connection, will the Minister make a statement on whether representations are expected at the Dominion-Provincial Conference in connection with the transportation item on the agenda, because this question is looming large now in the Maritimes.

Mr. Pickersgill: I do not think I should attempt to anticipate the proceedings of the Federal-Provincial Conference, but I may say I did give an assurance to the Premiers of the Atlantic Provinces that before any legislation was introduced I would receive representations from them; and it was thought, if the legislation could not be introduced before a recess, that that might be conveniently done at the time of the Federal-Provincial Conference.

HARBOURS

MONTREAL—REQUEST FOR EASIER ACCESS TO FACILITIES

On the orders of the day:

[*Translation*]

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I would like to direct a question to the Minister of Transport. It concerns an urgent matter which affects some two million people living in Montreal. A news item appeared in *La Presse* to the effect that the Montreal harbour authorities deny access to the harbour to the citizens of Montreal who have no other place for summer relaxation.

Is the minister aware of this situation and does he intend to order the Montreal harbour authorities immediately to allow the citizens access to harbour facilities during the summer season?

[*English*]

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I do not think it would be very wise for a Minister of the Crown to proceed in the arbitrary fashion the hon. gentleman has suggested, but I will look into the matter.

Mr. Valade: As a supplementary question, does the Minister not realize that just a letter to the director of the harbour might be sufficient, asking him to be more lenient in the application of the rules so that people could use the port facilities during the season?

Mr. Pickersgill: I would be very glad to look into the matter.

[Mr. Pickersgill.]

AGRICULTURE

SOUR CHERRIES—INQUIRY AS TO ASSISTANCE TO GROWERS

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, I would like to direct a question to the Minister of Agriculture. In view of the close proximity of the sour cherry season, could the Minister advise the House whether he proposes to use the value for duty provisions of the Customs Act or the price support system in order to assist the cherry growers of this country?

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, no decision has been made so far as this matter is concerned. Last year when the sour cherry people were in trouble the Stabilization Board assisted them at a cost of approximately $300,000, but no decision has been made this year nor have we had any representations from these people.

Mr. Hales: Would the Minister do everything within his power to keep down the great flow of U.S. cherries coming into Canada?

DAIRY PRODUCERS—MAILING OF CLAIM FORMS FOR SUPPLEMENTARY PAYMENTS

On the orders of the day:

Mr. John Loney (Bruce): Mr. Speaker, I have a question for the Minister of Agriculture but in his absence I will direct it to his Parliamentary Secretary. Can the Minister inform the House when the mailing to dairy producers of the claim forms for supplementary payments will be completed?

Mr. B. S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, in the absence of the Minister I am not able to give a concrete answer, but I will obtain the answer for the hon. Member.

NATIONAL DEFENCE

POINT EDWARD NAVAL BASE—ALTERNATIVE EMPLOYMENT FOR RELEASED EMPLOYEES

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, may I direct a question to the Associate Minister of National Defence; I think he is behind the curtain, or perhaps he has had to return to his office. In view of the fact that, according to yesterday's press, employees at the Point Edward Naval Base are now receiving official letters

that they have been fired, something I questioned him about the other day, can the Minister now advise where these former government employees, numbering several hundred, are going to find employment? May I also ask the Minister if he is possibly being brainwashed by the repeated statements of his colleague the Minister of Finance, that we "never had it so good"?

Mr. Speaker: Order, please. If the question is in order at all it is one for the order paper.

Mr. Muir (Cape Breton North and Victoria): On a point of order, Mr. Speaker, these employees received their letters yesterday, about 24 hours ago.

Mr. Speaker: Order. I am afraid the hon. Member is really beginning to dispute the suggestion or decision of the Chair, and it seems to me this is not the proper time to do so.

Mr. Muir (Cape Breton North and Victoria): On a point of order, this question is urgent. It is of national importance. It concerns a base of the Royal Canadian Navy. It concerns unemployment, which is of national importance. I would like to know what is going to be done on behalf of these several hundred—

Mr. Speaker: Order. I would like to congratulate the hon. Member on calling attention to the point at issue.

Mr. Muir (Cape Breton North and Victoria): On a further point of order, Mr. Speaker, I did not bring up the question just for the sake of bringing it to the attention of the House. We have several hundred people who do not have any jobs.

Mr. Speaker: Order. If every single, individual Member of Parliament asked about unemployment in each individual constituency, I think the hon. Member would realize we would have to be here for 36 months.

Some hon. Members: Hear, hear.

Mr. Muir (Cape Breton North and Victoria): May I pose a question to you, Sir, with all due respect. When has it become out of order to ask questions about unemployment in this House? For years I have sat here and heard other Members ask such questions. Why has it become unpopular at this stage?

Mr. Speaker: The reason, it seems to me, is very simple. The same question has been asked quite often this session—

Mr. Muir (Cape Breton North and Victoria): With no answer from the Government.

Mr. Speaker: —and it has been carefully considered several times by different Ministers. I think we have some very pressing and urgent questions coming up, and I do not see how the hon. Member can expect a complete answer to his question in the space of two minutes.

MID-CANADA RADAR LINE—MAINTENANCE OF AIR STRIPS

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I should like to direct a question to the Minister of National Defence. In relation to the phasing out of the mid-Canada radar line, can the Minister say whether consideration is being given by his Department or any other Government department to the maintenance of air strips such as the one at Winisk?

Mr. Speaker: Would the hon. Member put this question on the Order Paper. It seems to me it was asked before.

VETERANS AFFAIRS

INQUIRY AS TO INCREASES IN DISABILITY PENSIONS

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, yesterday when outlining the business for the next two weeks or so the Prime Minister indicated that certain veterans legislation will be introduced. I would like to direct a question to the Minister of Veterans Affairs and ask him could he indicate just what is intended in this legislation and, specifically, whether substantial upward revisions in disability pensions are being considered.

Hon. Roger Teillet (Minister of Veterans Affairs): Mr. Speaker, this is a matter of Government policy, and I think a proper answer would be that the bills will be introduced as soon as possible, I hope within the next 10 or 12 days, and at that time the intention will be made known to the House.

Mr. Speaker: Orders of the day.

Mr. Knowles: The hon. Member for Winnipeg North.

Mr. Speaker: May I point out that it is two minutes to four o'clock. Perhaps we should allow a little more leniency in anticipation of some new rules, but I point out that it is

almost four o'clock. The hon. Member for Winnipeg North.

HEALTH AND WELFARE

ETOBICOKE, ONT.—TREATMENT BY DOCTOR OF NARCOTICS ADDICT

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have been trying to get the floor for an hour, so I do not think I have to apologize. I wanted to ask the Minister of National Health and Welfare a question, but since she has left the Chamber her Parliamentary Secretary might take it as notice.

I would like to ask the Minister what steps she is taking to revise the administration of the Narcotic Control Act so that doctors who wish to treat narcotic addicts will not be interfered with in their medical treatment by the Department in the way that an Etobicoke doctor was interfered with, and about which Rev. Mr. West, director of the Anglican Correctional Chaplaincy for the Diocese of Toronto wrote to the Minister in such strong terms.

Hon. G. J. McIlraith (President of the Privy Council): Mr. Speaker, I think out of fairness to the House this type of question is not one that should be permitted without notice before orders of the day, and to that extent should be put on the order paper.

Mr. Orlikow: Mr. Speaker—

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

Mr. Orlikow: I would like to debate it at ten o'clock.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, the President of the Privy Council has raised this matter repeatedly and suggested that Members put questions of this type on the order paper. I point out that this is a matter that affects someone immediately. If anyone looks at the order paper he can see the length of time questions remain on it. Questions have been on it since April 5 and April 6, half a dozen since April 6 and one since April 5. Last session we had questions that were on it for five months.

For the Minister to get up and say that a question which affects someone in a community near Toronto, on which a decision should be made in the course of the next few days or weeks, should be put on the order paper, where it may lie for days if not weeks, is not good enough.

[Mr. Speaker.]

Mr. McIlraith: Mr. Speaker, I think I should clarify my reasons for asking that it be put on the order paper. It is perfectly apparent to any one in the House who listened to the question that it could not be answered without notice, and surely the hon. Member should not be taking up the time of the House asking a question which, by its nature, cannot be answered without notice. Either he should put it on the order paper or give notice of it.

I admit it is an important question, but it is not one which meets the criteria set out in the rule book for questions which are asked before orders of the day are called. That is why I took objection to it, and I think if hon. Members examine the question carefully when they see it in *Hansard* they will realize I would have been remiss in my duty here if I had not pointed that out.

Mr. Orlikow: Mr. Speaker, I want to point out to the President of the Privy Council that this is a matter which was raised today in the lead editorial of the *Globe and Mail,* and the Minister received a letter from the Chaplain working in this field. So the Minister really did not need notice from me, which I gave today, because she knows about the case and she knows the medical association has said that it is useless to try to deal with this question. As far as putting it on the order paper is concerned, when we get into debate today I want to point out to the President of the Privy Council that I have had questions on the order paper for as long as six months.

Some hon. Members: Order.

Mr. Speaker: Order. Perhaps the hon. gentleman would give notice and raise the matter at ten o'clock. The hon. Member for Danforth.

Mr. Reid Scott (Danforth): Mr. Speaker, I wanted to ask a question of the Minister of Justice but he seems to have disappeared.

• (4:00 p.m.)

HOUSE OF COMMONS

AMENDMENT OF STANDING ORDERS RESPECTING CONDUCT OF BUSINESS

The House resumed from Wednesday, June 9, consideration in Committee of the following resolution—Mr. Pearson—Mr. Lamoureux in the Chair:

That the following amendments be made to Standing Orders:

1. That Standing Order 6 be deleted and the following substituted therefor:

Standing Order 6

6. (1) At 6:00 o'clock p.m. on Wednesdays and Fridays and at 10:00 o'clock p.m. on Mondays, Tuesdays and Thursdays, unless provided otherwise in these Standing Orders, Mr. Speaker shall adjourn the House without question put until the next sitting day.

(2) A motion that the House continue to sit after the hour specified in Section (1) may be made at any time without notice. If any member objects to the motion, Mr. Speaker shall request those members who object to rise in their places and if ten or more members then rise, the question shall not be put on the motion. If no member objects or if fewer than ten members rise in their places, the motion shall be deemed to be carried. No debate or formal vote shall be held on such a motion to extend a sitting. An extended sitting under the provisions of this Section, unless a closing time has been specified, shall not be terminated except by the adoption of a motion to adjourn and Mr. Speaker shall not deem that a motion to adjourn the House has been made by virtue of the operation of any other Standing Order.

(3) If any member objects to the taking of a vote at any time between 1:00 o'clock p.m. and 2:30 o'clock p.m. or between 6:00 o'clock p.m. and 8:00 o'clock p.m., Mr. Speaker shall request those members who object to rise in their places and if five or more members rise, the taking of the vote shall be postponed until after 2:30 o'clock p.m. or until after 8:00 o'clock p.m. as the case may be.

(4) When it is provided in any Standing Order or in any order of the House that the business under consideration at the ordinary time of adjournment be forthwith disposed of or concluded, Mr. Speaker shall not adjourn the House until the specified proceedings be completed.

2. That Section (1) of Standing Order 12 be amended to read as follows:

Standing Order 12, Section (1)

12. (1) Mr. Speaker shall preserve order and decorum, and shall decide questions of order. In explaining a point of order or practice, he shall state the standing order or authority applicable to the case. No debate shall be permitted on any such decision, nor shall any such decision be subject to an appeal to the House.

3. That Sections (3) and (4) of Standing Order 15 be amended to read as follows:

Standing Order 15, Sections (3) and (4)

15. (3) Except as otherwise provided in these Standing Orders, the order of business for the consideration of the House, day-by-day, after the daily routine shall be as follows:

(*Monday*)

Questions.
Government orders.

(*From six to seven o'clock p.m.—Private Members' Business*)

Notices of Motions.

(*Tuesday*)

Government orders.
Questions.

(*From six to seven o'clock p.m.—Private Members' Business*)

Private bills.
Public bills.

House of Commons Procedures

(*Wednesday*)

Questions.
Notices of motions for the production of papers.
Government orders.

(*From five to six o'clock p.m.—Private Members' Business*)

Notices of motions.
Public bills.

(*Thursday*)

Government orders.
Questions.

(*From six to seven o'clock p.m.—Private Members' Business*)

A. On the first and each alternate Thursday thereafter:

Notices of motions (papers).
Private bills.
Public bills.

B. On the second and each alternate Thursday thereafter:

Private bills.
Notices of motions (papers).
Public bills.

(*Friday*)

Government orders.
Questions.

(*From five to six o'clock p.m.—Private Members' Business*)

Public bills.
Private bills.

(4) When a debate on a motion "That Mr. Speaker do now leave the Chair" for the House to go into Committee of Supply is in progress at 6:00 o'clock p.m. on either a Monday or a Tuesday, the order for Private Members' Business on that day shall be suspended.

4. That Section (2) of Standing Order 31 be amended to read as follows:

Standing Order 31, Section (2)

31. (2) When the business of Private Members is being considered, no member shall speak for more than twenty minutes at a time.

5. That Section (5) of Standing Order 39 be enacted to read as follows:

Standing Order 39, Section (5)

39. (5) Before the Orders of the Day are proceeded with, questions on matters of urgency may be addressed orally to Ministers of the Crown, provided however that if in the opinion of Mr. Speaker a question is not urgent, he may direct that it be placed on the Order Paper, provided also that the time allowed for a question period prior to the calling of the Orders of the Day shall not exceed thirty minutes.

A member who is not satisfied with the answer given to a question asked on any day at this stage, or a member who has been told by Mr. Speaker that his question is not urgent, may give notice that he intends to raise the subject-matter of his question on the adjournment of the House. The notice referred to herein, whether or not it is given orally during the question period before the Orders of the Day, must be given in writing to Mr. Speaker not later than 5:00 o'clock p.m. the same day.

6. That the Standing Orders be amended by adding thereto a new Standing Order 41-A, to read as follows:

Standing Order 41-A

41-A. Unless notice of motion has been given under Standing Order 41, any member proposing to

raise a question of privilege other than one arising out of proceedings in the Chamber during the course of a sitting shall give to the Speaker a writen statement of the question at least one hour prior to raising the question in the House.

7. That Standing Order 43 be amended by adding thereto a new Section (2), to read as follows:

Standing Order 43, Section (2)

43. (2) When debate on any motion made under Standing Order 15 (2) is adjourned or interrupted, the order for resumption of the same shall be transferred to and considered under Government Orders.

8. That Standing Order 44 be amended to read as follows:

Standing Order 44

44. When a question is under debate no motion is received unless to amend it; to postpone it to a day certain; for the previous question; for reading the orders of the day; for proceeding to another order; to adjourn the debate; to extend the sitting of the House; or for the adjournment of the House.

9. That Section (4) of Standing Order 59 be amended to read as follows:

Standing Order 59, Section (4)

59. (4) The Chairman shall maintain order in the Committees of the Whole House, deciding all questions of order subject to an appeal to Mr. Speaker; but disorder in a committee can only be censured by the House, on receiving a report thereof. No debate shall be permitted on any decision.

10. That Standing Order 65 be amended to read as follows:

Standing Order 65

65 (1) At the commencement of each session, a special committee, consisting of seven members, shall be appointed, whose duty it shall be to prepare and report, with all convenient speed, lists of members to compose the following standing committees of the House:

(*a*) on Agriculture, Forestry, and Rural Development, to consist of 45 members;
(*b*) on Broadcasting, Films and Assistance to the Arts, to consist of 22 members;
(*c*) on Crown Corporation, to consist of 22 members;
(*d*) on External Affairs, to consist of 22 members;
(*e*) on Finance, Trade and Economic Affairs, to consist of 22 members;
(*f*) on Fisheries, to consist of 22 members;
(*g*) on Health and Welfare, to consist of 22 members;
(*h*) on Housing, Urban Development and Public Works, to consist of 22 members;
(*i*) on Human Rights and Citizenship and Immigration, to consist of 22 members;
(*j*) on Industry, Research and Energy Development, to consist of 22 members;
(*k*) on Justice and Legal Affairs, to consist of 22 members;
(*l*) on Labour and Employment, to consist of 22 members;
(*m*) on Miscellaneous Estimates, to consist of 22 members;
(*n*) on Miscellaneous Private Bills, to consist of 22 members;
(*o*) on National Defence, to consist of 22 members;
(*p*) on Northern Affairs and National Resources, to consist of 22 members;
(*q*) on Privileges and Elections, to consist of 22 members;

[Mr. Scott.]

(*r*) on Public Accounts, to consist of 24 members;
(*s*) on Standing Orders, to consist of 22 members;
(*t*) on Transport and Communications, to consist of 22 members; and
(*u*) on Veterans Affairs, to consist of 22 members.

(2) The Special Committee shall also prepare and report with all convenient speed, lists of members to compose the following standing committees:

on Printing, to act as members on the part of this House on the Joint Committee of both Houses on the subject of the printing of Parliament, to consist of 23 members;

on the Library of Parliament, so far as the interests of this House are concerned, and to act as members of the Joint Committee of both Houses to consist of 21 members;

provided that a sufficient number of members of joint committees shall be appointed so as to keep the same proportion in such committees as between the memberships of the House of Commons and Senate.

(3) A majority of the members of a standing committee shall constitute a quorum unless the House otherwise orders;

Provided that, in the case of a joint committee, the number of members constituting a quorum shall be such as the House of Commons acting in consultation with the Senate may determine.

(4) The Standing Committees shall be severally empowered to examine and enquire into all such matters and things as may be referred to them by the House; to report from time to time their observations and opinions hereon; to send for persons, papers and records; and to print, from day-to-day, such papers and evidence as may be ordered by them, and Standing Order 66 shall not apply in relation thereto.

(5) Any member of the House of Commons who is not a member of a standing committee, may unless the House or the standing committee otherwise orders, take part in the deliberations of the standing committee, but shall not vote or move any motion or any amendment or be counted in the quorum.

11. That Standing Order 99 be amended to read as follows:

Standing Order 99

99. No Bill for the incorporation of a railway or canal company, or for authorizing the construction of branch lines or extensions of existing lines of railways or of canals, or for changing the route of the railway or of the canal of any company already incorporated, shall be considered by the Committee on Transport and Communications, until there has been filed with the committee, at least one week before the consideration of the bill, a map or plan drawn upon a scale of not less than half an inch to the mile, showing the location upon which it is intended to construct the proposed work, and showing also the lines of existing or authorized works of a similar character within, or in any way affecting the district, or any part thereof, which the proposed work is intended to serve; and such map or plan shall be signed by the engineer or other person making the same.

12. That Standing Order 105 be amended to read as follows:

Standing Order 105

105. Every private bill, when read a second time, is referred to one of the standing committees as follows: bills relating to banks, insurance, trade and commerce and to trust and loan companies, to the Committee on Finance, Trade

and Economic Affairs; bills relating to railways, canals, telegraphs, canal and railway bridges, to the Committee on Transport and Communications; the bills not coming under these classes, to the Committee on Miscellaneous Private Bills, and all petitions for or against the bills are considered as referred to such committee.

The Chairman: Order. When the Committee rose yesterday an amendment proposed by the hon. Member for Burnaby-Coquitlam was being considered. This amendment reads as follows:

That the proposed new Standing Order 12(1) be amended by changing the period at the end thereof to a comma, and by adding immediately thereafter the following words: "provided, however, that an appeal on a substantive motion, accompanied by the citation of authorities and precedents, may be submitted for study to a special committee to be appointed for that purpose".

[*Translation*]

Mr. Marcoux: Mr. Chairman, in rising to make a few remarks, it is not my intention to prolong the debate—because I have been patient enough from the very start of this discussion on the proposed changes to the parliamentary procedure—but simply to dispute the claims that the Speaker, or his representative, or the chairman of committees may have preconceived ideas or prove to be partial. Personally, I believe that the Speaker is at least as objective as any other member, be it the mover or the seconder of a motion or the one who speaks in support of, or against, that motion. That is why I dissociate myself from those who claim that the Speaker may, more than others, prove to be partial in his rulings in this house.

Another point I wish to make is this. When members support the Speaker's decision, they do not necessarily support the amendment, the subamendment or the motion which has been introduced but only the Speaker's ruling. When we support the Speaker, it is on the basis that he was chosen not by the government or the opposition but by Parliament, to maintain order in the house. And since we trusted him when we appointed him, we should continue to trust him until he decides to give up his post.

When, at the beginning of a parliament, the Prime Minister moves the appointment of a Speaker, if the members do not agree, they may thereupon introduce a counter-proposal or else simply object to the appointment of the proposed candidate. I am convinced the Speaker would not accept his appointment without unanimous consent of the house. That is why I maintain that if we vote for a new rule forbidding members to appeal from Mr. Speaker's rulings, it is only because we trust him; we trust him today, we shall trust him tomorrow, and we shall also trust any Speaker who will be appointed in the future, because we rely on the Speaker's good judgment and his ability to conduct the business of the house.

Yesterday, the hon. member for Burnaby-Coquitlam (Mr. Douglas) said that the Speaker occupying the Chair once admitted he had made a mistake and had asked the house to appeal his ruling: such was his statement. I could immediately suggest that if the Speaker realized he has made a mistake, he only would have to ask, with unanimous consent from the house, that the house appeal his ruling. Then, should the members not be satisfied, they could unanimously allow the Speaker to act counter to clause 2 of paragraph 2 of resolution No. 15 under consideration.

Those are the remarks I wished to make, Mr. Chairman.

Before resuming my seat, I wish to point out that when it is said that the Speaker is prejudiced, the statement could be reversed and applied to the one who is appealing his ruling. In fact, whoever appeals a ruling of the Speaker often is sore and disappointed because he has not drafted his motion in such a way that it be in order, and then, from that grudge, if one may say so, he rises and appeals the Speaker's ruling.

Mr. Chairman, in my opinion, granting a member or a group of members the right to appeal a ruling of the Speaker on a question of personal feelings would not be more justifiable than allowing any doubt about the impartiality of the Chair.

There is another minor argument which I wished to put forward and which nearly slipped my mind. Someone criticized the rulings of the Speaker, pointing out that quite often, he did not trust in his own capacities but depended on the advice given him by the officers of the House. I must most humbly say that, in my opinion, the officers of the House are most competent to give the necessary information to the Speaker. In my opinion, their duty is simply to find faster than the Speaker, the reasons on which the latter could base his ruling if he had time to look for the necessary arguments. It seems to me that the officers of the House, who have a thorough knowledge of the procedure, and who are able to find speedily the arguments which the Speaker needs to make his ruling, are simply assisting the Speaker.

I think that we should commend them for it and once again, I do not agree with those who try to minimize their work and especially their goodwill.

Mr. Chairman, I do not intend to speak any longer, because I know that for 12 days we have been looking forward to that happy moment when we might express our opinion, by means of a vote, but I wanted to dissociate myself from those who have made such statements with respect to the Speaker and the officers of the House.

• (4:10 p.m.)

[*English*]

Mr. Barnett: Mr. Chairman, I should like to take a very few minutes of the time of the Committee to make one or two comments on the amendment which is before us in respect of this question of the abolition of appeals from Mr. Speaker's rulings. I noticed yesterday when the Minister of Transport was speaking that he made quite a little play on the fact that when he was on the Opposition side he had, if I remember correctly, advocated on three different occasions abolition of appeals. I must say, Mr. Chairman, having been one of the Members who was in the House at the time of what we commonly refer to as the pipe line debate, the thought that immediately crossed my mind was what his position would have been had he been on the Opposition side, in the context of that debate, in respect to the right of appeal from Mr. Speaker's rulings.

I mention this because I feel that very much of what is involved in this question of appeals from Mr. Speaker's rulings depends upon the occasion and the manner in which they have taken place in the past. I certainly agree with the Minister of Transport and with others who suggested that there has developed all too frequently a practice of appealing Mr. Speaker's rulings on grounds other than the simple merits of the ruling itself. If I may say so, I think that that change has taken place to quite an extent since the period when I first entered this House in 1953, a time when appeals were of very rare occurrence indeed and were something which no Member of the House thought of making lightly.

While I realize that the present Minister of Transport had an entirely different view from that which I had on the subject matter of the pipe line debate, nevertheless I would hope he would agree that, at least on some of the appeals which were made against the ruling of the Chair during the debate, the Opposition did have a legitimate right to feel that there had been a breakdown in the integrity and impartiality of the Chair. Had we not had the right of appeal under those circumstances, then I think there would have been a very difficult situation in Parliament, and perhaps the effect upon Parliament as an institution might have been even worse than that particular episode, in my view, demonstrated.

Mr. Pickersgill: Mr. Chairman, since the hon. gentleman has sought to interpret my views, I hope he will not take my silence as indicating agreement with the views he has just expressed.

Mr. Barnett: Mr. Chairman, I was not disposed to agree that that necessarily was the case, but I am quite happy to have the Minister clarify his own position in this regard.

The reason I have sought to express my own feeling in this regard in supporting the amendment is that if a situation of that kind developed at some future time in this Parliament, then the kind of mechanism proposed by the amendment moved by the hon. Member for Burnaby-Coquitlam could be a very useful and necessary safety valve to protect the integrity of the Speakership, and also the integrity of parliament as an institution.

I will not add much more, Mr. Chairman, except to say that one of the things I found rather puzzling when I came back to this House after an absence of some four years was to discover that the practice of voting when Mr. Speaker's ruling was challenged had altered so as at least to give the appearance that an appeal from a ruling of Mr. Speaker had become a party matter. In other words, as matters have stood in this Parliament and the last Parliament, if Mr. Speaker's ruling is appealed the normal practice seems to have developed whereby the Leader of the Government first rises to indicate that Mr. Speaker's ruling should be sustained. Whereas unless I am very much mistaken the practice in former years was, at least technically in the form of voting, that it was regarded as having nothing to do with party structure and it was usually a private Member on the front bench on the Government side who was the first to rise.

If I may say so, Mr. Chairman, I think this practice has tended to aggravate the development of a tendency in the minds of many people and many Members of this House to think that when we are called upon to vote on a challenge of a ruling we would

normally divide on party lines, as we would either for or against a Government measure. I think this has been a contributing factor to what I consider to be the rather hasty and ill-considered proposal of the Government for the complete abolition of appeals.

The Minister of Transport tried to suggest that if we had any hope of obtaining a continuity of the Speakership this could not be achieved, first of all, without abolishing appeals. In my view, Mr. Chairman, the Minister has put the cart before the horse. As far as I am concerned the logic is all on the side of the complete converse of that. If we can devise ways and means of achieving some continuity of the Speakership, and if this House can be guided and directed in its deliberation for a period of time by someone who has enjoyed the confidence of more than one parliament, then I think the question of the abolition of appeals would be more easily resolved, on all sides of the House. The only way we can be convinced that we have established in the institution of the Speakership someone who is beyond and above the kind of pressures to which many of us in this House feel Mr. Speaker of that day yielded in 1956, would be the acceptance of the idea of a permanent or continuing Speakership. I must say it is difficult for us to agree to endorse the idea of the abolition of appeals from rulings of the Chair, in the absence of such an arrangement.

• (4:20 p.m.)

It is in this light that the proposal advanced by my hon. friend from Burnaby-Coquitlam should be considered. He has proposed a mechanism which would eliminate the kind of frivolous or tactical appeals which have been made from time to time and which I believe to have been most unfortunate. It would base the appeal purely on the question whether or not the decision of the Chair was correct. In the light of these considerations I urge the adoption of the amendment now before the Committee.

The Chairman: Order. The question on the amendment is now being put. No Member should be allowed to vote after the motion has been put. Those hon. Members who have just come in should not take part in the vote.

Amendment (Mr. Douglas) negatived: Yeas, 9; nays, 40.

I declare the amendment lost.

Does this conclude the discussion of section 2 of the resolution before the Committee?

Some hon. Members: Agreed.

The Chairman: Is it my understanding that we now revert to the consideration of section 1?

Some hon. Members: Agreed.

Mr. Knowles: Mr. Chairman, there may be some discussion on section 1. Indeed, I am opposed to its general purport, namely sitting through meal hours, sitting overtime and so on. But I rise at this time for the purpose of moving a simple amendment which I think is in accord with the Government's intention and which I hope the Government and the Committee of the whole may accept.

My amendment relates to what could happen in the period after the normal hour of adjournment. There is a provision in subsection (2) of the proposed Standing Order under which the House might continue sitting after six o'clock on Wednesday or Friday or after ten o'clock on Monday, Tuesday or Thursday. The Government has said the reason for pursuing this is in order that the House or the committee of the whole might be able to finish some business with which it was seized at that moment. But the Order as now drafted makes it possible, once the adjournment hour has gone by, for the Government to go on calling other items on the order paper and thus keep Members here all night, trying for example to finish a session. That might be a commendable objective at some point but, generally speaking, it is a situation which could lead to abuse. I take the Government at its word that all it wants by this provision is the right, unless more than ten Members object, to continue after ten o'clock in order to complete whatever Order had been called. Therefore, to make this clear, I move:

That paragraph (2) of the proposed Standing Order 6 be amended by inserting therein, immediately after the sentence which reads "No debate or formal vote shall be held on such a motion to extend a sitting", the following new sentence:

"During an extended sitting, as provided under the provisions of this section, no order shall be called for consideration unless such order was under consideration prior to the normal hours of adjournment."

As I say, the purpose of this amendment is simply to make it clear that this rule if it passes will be used only for the purpose for which the Government has told us the rule is desired. I wish in all fairness to enter the caveat that even if this amendment passes I still do not like the new Standing Order and there will be other comments on it. But since there may be agreement on this

safeguard, I think it might be cleared up first.

Mr. McIlraith: There is one quite narrow point I should like to raise. The hon. Member says no new order should be dealt with. But the order might be for second reading of a bill; then, subsequently the House might wish to continue with another stage. Or suppose a measure was being considered in committee and it was desired to go on to third reading. Has the hon. gentleman thought about this point? Otherwise, we could agree with the suggested amendment. I did discuss the matter and we had intended to raise it.

Mr. Knowles: I certainly did think about the point which the Minister has raised. I ask him not to press that the amendment go further than I have suggested. I used the word "order" as meaning something listed on the order paper. If an order for second reading had been called prior to ten o'clock, the way this amendment is worded, that could carry on. If an order for consideration in committee of the whole had been called before ten o'clock, having gone into committee of the whole we could carry on. But I do not think it would be a good thing to word this rule in such a way that having finished the Committee stage of a bill we could go on to third reading or go on from second reading to the Committee stage. I think the Government should be taken at its word that it wants this rule in order that we may complete some particular item which had been engaging our attention before ten o'clock. The Minister of Transport made this clear. The President of the Privy Council made it clear, and I hope I have made it clear by this amendment.

Mr. McIlraith: Yes. I think the hon. gentleman misunderstood me. I was trying to question him for clarification. We are quite prepared to accept the amendment.

The Chairman: Order. The Chair would like to put the amendment. Shall I dispense?

Some hon. Members: Dispense.

Mr. Howard: Like my hon. friend from Winnipeg North Centre I am not favourably disposed to the original proposition concerning this Standing Order. Such being the case it seems silly or asinine for me to vote for the amendment now before us. I say this with all respect to the hon. Member for Winnipeg North Centre and to my other colleagues.

[Mr. Knowles.]

I fail to see how we can support a proposal which seeks to amend a bad proposition so as to make it a little more acceptable. We intend to fight against this idea of giving the Government open-ended permission to develop its legislation by means of exhausting Members completely night after night as has been done in the past.

• (4:30 p.m.)

I am not in favour of the amendment or of the original proposal. It may well be that we will have to spend from now until five p.m. tomorrow debating this particular matter, thus denying to Members the opportunity to move amendments to other proposed changes. There is one matter of extreme importance on which I should like to move an amendment later, but if the debate on this point carries on interminably we are quite prepared to accept that.

Because of past experience both with this Government and other governments. I am not in any respect prepared to accept the principle that we should be required to legislate by exhaustion at four o'clock in the morning merely because of the desire of the Government either to rush something through or to cram something down the throats of Members of this House. So far as I am concerned, this proposal is far worse than the so-called guillotine to which the Tories were spuriously objecting a few days ago.

The Chairman: Shall the amendment carry?

Mr. Peters: Mr. Chairman, before you put the question I should like to ask this question. If this amendment is carried, what will it really mean? I know what it says. I know what the contention is. However, if second reading takes place at three o'clock in the morning and there is agreement to proceed with third reading, does the amendment mean that the House does not have control of its own affairs and cannot by unanimous consent proceed with third reading at that time? I doubt that this can be accomplished in this manner. If it cannot be accomplished in this manner, all we are really doing is trying to make acceptable something that obviously is not acceptable to most Members, and they want to provide a safeguard.

I suggest that this highlights one of the problems we are going to have with these rule changes. We are trying to eliminate the opportunity to accomplish something that the majority may wish to do, and I think this type of change should be seriously considered before it is decided upon. By adopting this amendment we can make changes in this

section that I am sure will be acceptable to the Government, but I wonder whether this will grant the power to a minority who may be opposed to prevent the majority from proceeding to deal with an additional stage at that late hour. I think we should always realize the fact that on occasions Governments do bow to Opposition objections and it may be that at two or three o'clock in the morning, or later, it is easier to arrive at progressive amendments than at other times. If agreement is arrived at to give second reading to a measure, it is probable that the introduction of third reading and passage of the bill would also be warranted.

I think the Members of this Committee will be very asinine if they lay down rules that do not accomplish what we want, but the very opposite. If in the end we arrive at a point where we cannot progress with the business at a more rapid rate through the usual method of amendment and agreement, these rules will be a detriment rather than an asset.

The Chairman: The Committee has heard the amendment moved by the hon. Member for Winnipeg North Centre. Shall the amendment carry?

Some hon. Members: Carried.

Mr. Peters: On division.

Amendment (Mr. Knowles) agreed to on division.

The Chairman: Does this conclude the discussion of section 1?

Mr. Otto: Mr. Chairman, I have one question. The second last speaker said that the Government would have the power to move a motion. As I read paragraph 2, it provides for the making of a motion that the House continue to sit. Does this mean that only the Government can make such a motion or that any Member may do so?

Mr. McIlraith: Any Member may make it.

Mr. Howard: In practice only the Government will take advantage of this provision.

Mr. McIlraith: Mr. Chairman, I am always hopeful that the hon. Member for Skeena may change, and possibly he will be moving such a motion many times in the future. Who knows?

Mr. Knowles: Don't suggest it; he might do it.

Mr. Pickersgill: Some of us do not share that hope.

Mr. McIlraith: Mr. Chairman, I want to propose an amendment which is being moved at the request of some hon. Members. It has to do with the clarification of section 2 of the proposed new Standing Order. A question was raised as too whether or not it was sufficiently clear that the Speaker had the authority to interrupt the proceedings after the supper hour and call the postponed vote. In order to improve the wording and make it clear that it was the intention that Mr. Speaker should have the right to interrupt whatever proceedings were going on after the supper hour and take the postponed vote, I move:

That clause 1 of the proposed resolution be amended by striking out section 3 of the proposed Standing Order 6 and substituting therefor:

"Standing Order 6 Section (3).

If any Member objects to the taking of a vote at any time between 1.00 o'clock p.m. and 2.30 o'clock p.m. or between 6:00 o'clock p.m. and 8.00 o'clock p.m., Mr. Speaker shall request those Members who object to rise in their places and if five or more Members rise, the taking of the vote shall be postponed. At 2:30 o'clock p.m. or at 8:00 o'clock p.m., as the case may be, Mr. Speaker shall interrupt the proceedings then before the House and shall put or cause to be put the question on any postponed vote. The House shall be deemed to have reverted to private Members' business for such time as is necessary for the taking of any vote postponed from the time provided for private Members' business."

It will be seen that this is merely a clarification of the point in order to make it very clear that Mr. Speaker has the authority to interrupt any proceedings before the House for the purpose of taking a postponed vote.

Mr. Lambert: Briefly, Mr. Chairman, this meets the point I had raised privately.

The Chairman: Shall the amendment carry?

Mr. Barnett: Mr. Chairman, I think this point is clear but, as did the Minister of Transport, I should like to make sure that silence does not mean consent and that in supporting this amendment we are not supporting thereby some of the principles that arise that make this amendment necessary. In other words, if we allow this amendment to carry it does not mean that the resolution cannot be further amended in such a way as to make the proposed provision in effect null and void or superfluous.

The Chairman: Shall the amendment carry?

Amendment (Mr. McIlraith) agreed to.

The Chairman: Does this conclude the discussion on section 1?

• (4:40 p.m.)

Mr. Peters: I am not sure how to do it, Mr. Chairman, but I should like to delete the whole of the section. Perhaps all I have to do is move a motion that we delete the whole section. I am one of those who believe that we should not go back to barbaric conditions of giving up our lunch or dinner hours. The supper hour means more in Canada perhaps than it does in a number of other countries. I ask the Government to reconsider this provision. A limit of 36 days has already been established for estimates and the House is going to put on a further limit. I suggest the Government reconsider the idea of establishing a regular supper hour as we have it in the Standing Order. The Standing Order indicates the House shall not sit between six and eight. The amendment provides, by inference, that we shall not adjourn for a supper hour.

There is no question about it, if a Member of Parliament is doing his job he starts at nine o'clock in the morning with committees and attends the House in the afternoon. He should be entitled, therefore, to some reasonable period for a supper hour. The lunch hour in Canada, in my opinion, is not as important as the supper hour. The dinner hour may be celebrated at a different time in other countries than it is in Canada. I believe we are being silly, Mr. Chairman. I believe we are being silly enough that I will try to bring this to the attention of the House and the country in a very vocal way in the next few weeks by being more obnoxious than I have been in the past. I suggest, Mr. Chairman, that is no idle threat and I do not believe I will have any disagreement on that.

Some hon. Members: Shame.

Mr. Peters: Hon. Members can say "Shame" all they like. I think we are adults in this country. Let us discuss for a moment what has happened over a period of time. We have had in the opposition one of the best lawyers that have been around Parliament for a long time, in the form of our previous legal counsel, who is now in another place. Many Members of the House of Commons developed good ideas for introducing new legislation during Private Members hour, through motions, through bills and other procedures that were seldom ever used. Now, the operation of this House has been such, and I will be prepared to talk about that during this debate, that it has not been able to cope with this problem.

[The Chairman.]

When I first came here there were probably half a dozen major bills in the names of private Members. Now, there are a hundred or more, some of which are worth while. It is true also that each Member has spent a great deal of time with the various departments and given a great deal of thought to the subject matter of these bills. What has the Government said? It has really said: We hate the idea of having to sit here and have our Government Members stand up and talk out these very good ideas. Let us refer to one of those good ideas. I have seen most of the influential Liberals, as well as some Conservatives, at a recent meeting with regard to the abolition of capital punishment. These are the same Members who loved the capital punishment bill to death for a number of years. They loved it to death because the Government of the day did not have the guts to do anything about it. They have no guts yet. They are going to do something about it in a roundabout way. What are they going to do?

They have decided this is a rather dangerous thing. They are going to have private Members hour. We are going to gain therefore body is going to be here. Let us waive the right of a quorum; let us waive the right of any press coverage that a private Member might get, and not do anything for the private Member. The Government will not even have to face a vote during that period if anybody gets up and objects to it. Surely, as adults we can come up with a better system than that. Really, we are going to extend the hours by only one hour because the Government has not been able to cope with private Members hour. We are going to gain therefore only one hour. Does the House Leader honestly think he is going to get away with this? I do not know what vehicle we will use. I am not sure we are going to find one right away, but I am sure we will find one. I am sure also, because I have seen it happen that if the Leader of the Opposition in this House finds we have a good vehicle and use it two or three times he will throw his weight behind it. If I do not hit it the first time I will get it the second.

Surely, we can arrive at a better solution of the problem that has developed in the last few years with regard to private Members hour. There will not be anybody here during the supper hour, there will not be anybody in the press gallery, so that an individual can make a speech for his riding back home. In the consumer credit field alone,

there are seven or eight excellent bills in my opinion, bills that this Government should have introduced or previous Governments should have introduced. They are bills that the Government is going to have to consider, and they contain well thought out proposals. They are not crack-pot ideas directed to somebody in the home constituency. These are attempts by backbenchers who have not had an opportunity to make a contribution in the House. These Members, some with a legal background in this field, have considered the matter and offered the Government some solutions. It is not going to be good enough to slough these off in the supper hour. I do not believe the Government is going to get away with it.

Surely we are not going to be so barbaric as to say we do not want any regular hours. How stupid have we been over the years? Only last year, Mr. Chairman, did we decide to have regular holidays. We did not even have July 1 off, which was the celebration of the birth of our Dominion. We are so foolish in this country that we did not even get around to that. We got St. Jean Baptiste Day as a holiday, although some of us do not even know what the celebration is about. But we got that day because we would not have obtained the other holidays without including that. We jump from crisis to crisis in trying to solve the problems of this House. Surely any bunch of school kids in a club they might set up would have been able to devise better solutions to their problems.

There has been no advantage whatever, in my opinion, in the extension of hours. If we know what the business of the country is, if we have prepared the legislation and presented it to parliament, then parliament has some responsibility. Every day we hear about a new piece of legislation that has to be introduced before the summer holidays. The House Leader has not even as yet told us when those holidays are going to be. We know we are going to have a holiday on June 24 and July 1. It would be logical for us to assume that we might include the long week end in that holiday, and we really would not put the conduct of business farther behind if that were understood. We can think back to the fact that we got a holiday in the wintertime for two months, not because the House needed it but simply because the Government was not ready to do anything else.

Some hon. Members: No, no.

Mr. Peters: Well, it is true. We have not had any major legislation introduced since this session began. The budget was introduced, but they said it had already been prepared. The Throne Speech could have been lifted holus-bolus out of the last one without really hurting anything. The Government Members may not know it, but really we have not advanced any farther, in so far as providing the country with a program of legislation is concerned, than we were when we ended debate in the last session, at which time there were 25 or 26 important pieces of legislation which had not been considered at all. Most of them are not kicking around any more, showing they have been forgotten and how unimportant they were.

• (4:50 p.m.)

Most hon. Members I have talked to feel there should be some period for supper hour. Most people think we are civilized enough in this country to have a regular supper hour. Over the years we have been able to curtail many of the formalities. We have been able to speed up our business procedure. Now we have agreed to curtail time spent on estimates. We have made a number of concessions which the Government should appreciate.

We have agreed that the regular adjournment hour may be waived at any time so that we may continue to discuss certain legislation before the House, until Government orders are called the next day. I for one am prepared to sit all night if it serves any reasonable purpose, but we should at least be a little sympathetic to the staff.

The Clerk of the House is not well, but we have not appointed a second one. We have really no officials at the Table prepared to take on the onerous duties they must handle during our regular supper hours. Our staff carries a heavy work load. We have not the necessary stenographic staff; we have not the necessary *Hansard* staff; we have not the necessary translation staff to cope with the longer hours. There are advertisements in every paper one picks up seeking staff in all these branches. We have not sufficient staff now; yet the Government, with tongue in cheek, is asking to extend the hours and take away from our employees some of the amenities previously enjoyed.

If there were good reason for this we could agree to it on occasion, and have done so. It will be recalled that early one session we decided it might be a good thing to extend the hours and sit on Wednesday afternoons and Friday nights. At that time I was prepared to sit on Sundays too. I do not know

why everybody throws up their hands at Sunday. It is a day in which we could fill four or five hours if we wished, and I do not see why that particular day should be overlooked.

It will be recalled that the hon. Member for Port Arthur moved to extend the hours early that session. The Government of the day accepted the motion, but that session went on for seven or eight months and turned out to be the longest session until that time. On occasions since then we have extended our sitting hours and sitting days, and on other occasions we did not need to do so. But all the time we find sessions getting longer and longer.

I suggest it would be completely barbaric to eliminate the supper hour. It will lower the mental objectivity of Members who have to sit during these extra hours, and I am prepared to do what I can to point out to the people of the country the ridicule that is deserved by a government that stoops to this method of extending the hours.

The supper hour should be maintained, and the Government is going to have to face a problem with private Members hour. I do not know what the solution to that will be, but very shortly the Government will face this problem.

I am prepared to move an amendment deleting sections 1, 2, 3, and 4 of the proposed Standing Order 6.

The Chairman: Does this conclude discussion on clause 1?

Mr. Peters: I am moving an amendment.

The Chairman: There is no amendment before the Chair at the moment. Is the hon. Member preparing one?

Mr. Howard: While my colleague is preparing his amendment perhaps I may say a word or two to express my agreement with what he has said. It is a fact, as the hon. Member for Timiskaming so ably pointed out, that with all this desire to extend the hours, giving the Government the right to legislate by exhaustion, the right to move a motion without notice, without any indication of time contained within that motion, the invasion of the normal lunch and dinner hours, and the relegation of private Members hour to an even more minor position than it has at present, will not add one bit to the so-called efficient dispatch of public business in the House. Such things have not done so in the past and I cannot foresee their doing it in the future.

[Mr. Peters.]

We could accomplish that end if, at the beginning of a session, and at regular intervals throughout, the Government indicated so far as possible the measures it would like to see passed and by what time, and asked the co-operation of the House to that end. If the Government is reasonable there will not be objection.

Governments have made such requests in the past, and whenever a government has been reasonable, has come forward openly and frankly to parliament and laid its cards on the table, by and large parliament has agreed with it and has done its best to meet the timetable set out.

I do not see why this Government should try to operate in a different fashion unless, of course, it simply does not know where it is going, that it has no idea about the course of its business or the policies it would like to see enacted—just fumbling along from day to day, as in the case of Liberal governments in the past, trying to get free of Parliament as soon as possible so that they can get on with the business of running the country by secret Order in Council.

The Minister of Transport laughs, whether at what I have said or something he has read I do not know; but we all know his attitude to parliament is to say whatever is convenient to parliament in order to get government business agreed upon, even if it means some underhand skulduggery to get parliament to agree to it.

Might I call it five o'clock, Mr. Chairman.

The Chairman: Order. As yet no formal motion has been received by the Chair. Perhaps before I call it five o'clock I might read the amendment moved by the hon. Member for Timiskaming. The hon. Member for Timiskaming (Mr. Peters) moves:

That standing order 6(1) be amended by deleting subsections (1), (2), (3) and (4) in resolution 15.

In order to permit the House to proceed to the consideration of private Members' business, it is my duty to leave the Chair.

Mr. Deputy Speaker: Order. It being five o'clock the House will now proceed to the consideration of private Members' business as listed on today's order paper, namely private bills, notices of motions (papers) and public bills.

• (5:00 p.m.)

PRIVATE BILLS

LAURENTIDE BANK OF CANADA

The House resumed from Thursday, May 27, consideration of the motion of Mr. Bas-

ford for the second reading of Bill No. C-95, to incorporate Laurentide Bank of Canada, and on the proposed amendment thereto of Mr. Bélanger.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, this afternoon we are considering Bill No. C-95 concerning which an amendment was moved by the hon. Member for Charlevoix (Mr. Bélanger) to give the bill the six months' hoist.

I rise this afternoon to support this amendment to give the bill the six months' hoist. In view of the fact that during the next few weeks we will be once more examining the Bank Act for the purpose of renewing existing bank charters, I believe that every member of this house should be entitled to examine the Bank Act more carefully so they can move new amendments and play a role which will be better appreciated by the people of Canada.

As the Prime Minister said during the week, we shall soon examine the Bank Act. When the new bank charters are granted, perhaps those who seek a charter through Bill No. C-95, such as the Laurentide Bank of Canada, will have changed their minds and will want a bank charter enabling them to offer certain services to certain parts of the country.

Therefore, Mr. Speaker, as I did a few days ago when I spoke on a similar bill, I want to assure the house once again this afternoon, that I am not opposed to banks as such, but rather to the granting of present bank charters.

We need bank branches to make certain credit transactions and to put at the disposal of the people a place to make their deposits and to put their savings in safety. I agree that our chartered banks have rendered great services in that connection in the past and I do not see why they should not continue to do so in the future.

Moreover, I believe that the present bank charters give too much power to the banks, which in fact are private institutions, by allowing them to accumulate credit which is a source of excessive power, to the point where they can direct the country's economy as they see fit.

It has been said that capital is accumulated work. I agree but, since one cannot do everything, accumulation is done by a few while the others work.

We have seen in the past that the powers granted to lending institutions such as chartered banks enabled them to direct the country's economy at will, thus permitting them to alternate periods of progress and depression. As a rule, they are the ones which generally decide on such periods.

We have seen people interested in production or services take advantage of economic progress periods to expand their industries, their businesses or their services and to invest capital through the sale of shares, bonds or borrowing. They did it in the past and nothing shows that, under the present banking system, they could not keep on doing it in times of economic progress. But before they had time to pay back their loans came a depression decided upon by the same financial authorities which, in many cases, caused industries and businesses to lose everything they had invested in expansion.

Here, Mr. Speaker, I must say that I do not approve of the present financial system. That is why I will propose—and I think many members will do likewise during consideration of this bank bill—amendments so that the present financial system may be reformed and that the issuing of credit may no longer be left in the hands of a few individuals but may be controlled by the Bank of Canada together with the Canadian government which administers the affairs of the country and represents all Canadians.

If the Créditistes in particular objected to applications for the creation of new chartered banks, they had another reason: similar applications had been made by a certain province and they were practically denied.

I know that right now two provinces are interested in owning bank shares but apparently the federal government does not want to grant them that privilege.

I think that until now only British Columbia and Quebec have expressed the desire to own bank shares. On the other hand, I know that one province in particular, that is British Columbia, has submitted a petition in the form of a bill to obtain a bank charter. That bill is now in the other place and since the Senate stands adjourned until June 22, it is obvious that the bill will not be passed before the end of June or at least that it will not be submitted to the House of Commons before then.

Mr. Speaker, I believe that if the bill concerning the incorporation of the Bank of British Columbia had been introduced in the

house, we would have asked that the three bills be referred to the committee on banking and commerce for a special study; but as the said bill still remains in the Senate, we will have to wait until it comes before the house, is examined and referred to the committee on Banking and Commerce.

Mr. Speaker, I referred a while ago to the fact that some provinces want to own bank shares. A few weeks ago the Minister of Finance (Mr. Gordon) stated that he would object thereto.

When these two provinces expressed the wish to own bank shares, I kept wondering where this would lead us; in short, what was their purpose. So I drew a parallel between the two provinces concerned, namely British Columbia and Quebec, and I wondered what could induce the authorities of those provinces to want to own bank shares.

So far as British Columbia is concerned, I sympathize with the provincial authorities, since the province records surpluses and has no debts so to speak; thus, the holding of bank shares would place it in a beneficial position.

On the other hand, so far as the province of Quebec is concerned, a province which is up to its ears in debt, I wondered what would be the use of holding bank shares in its case. But when I heard the Minister of Finance stating that a bill would be introduced to prevent the Canadian provinces from holding bank shares—

• (5:10 p.m.)

[*English*]

Mr. Basford: On a point of order, Mr. Speaker, I fail to see that the hon. Member's remarks are relevant to the bill before us.

Mr. Laprise: Thank you, Mr. Speaker.

[*Translation*]

Mr. Speaker, the few points I am raising now are precisely meant to explain why I am supporting the amendment moved by the hon. Member for Charlevoix, to have this bill given the six months' hoist.

As I was saying, the federal government's refusal to allow the provinces to own bank shares goes against the constitution in my opinion, because the British North America Act—

Mr. Deputy Speaker: Order. If I may, I should like to draw the hon. member's attention to the fact that the comments he is making now seem to go a little beyond the limits of the subject under discussion and I suggest that he come back to the bill now before us, which deals with the incorporation of the Laurentide Bank of Canada.

Mr. Laprise: Mr. Speaker, I thank you for your remarks and if I strayed away from the subject, it was precisely to make known the reasons why I support the amendment of the hon. Member for Charlevoix proposing a six months' hoist with respect to that bill.

Mr. Speaker, we now have before us two bills to incorporate chartered banks. On the other hand, everybody—including you, sir—knows that another group of businessmen has called for a bank charter, and I want to deal with those three petitions at the same time. I was saying that the British North America Act, and particularly section 91, subsection 13, allotted property rights to the provinces.

Mr. Speaker, I suggest that when this measure is officially put before the house, we will have the opportunity to object and to have provincial rights recognized. Moreover, according to the reports of the Senate committee which considered the matter, the Laurentide Bank of Canada which Bill No. C-95 tends to incorporate is nothing but an offshoot of a finance company called the Laurentide Finance Company.

Mr. Speaker, I feel that when the debate on the revision of the Bank Act is resumed within a few days, we will then be better prepared to determine whether it would be useful to grant new bank charters in Canada.

A few days ago, during consideration of another similar bill, I mentioned that the banks had more than 5,300 branches across the country, and that they were in a position to render the services which the people are entitled to.

When the revision of the Bank Act has been completed, I am of the opinion that perhaps we will be better informed to make a thorough study of any new application for a chartered bank.

Mr. Pierre-André Boutin (Dorchester): Mr. Speaker, once again we are considering Bill C-95 entitled: "An act to incorporate the Laurentide Bank of Canada" and the amendment proposed by the hon. Member for Charlevoix (Mr. Bélanger) to the effect that Bill C-95 should not be read a second time, but that it should be given a six month's hoist.

Mr. Speaker, I do not understand why the other place, to which were submitted three bills to incorporate banks, has rejected one and passed the other two. I think that it

would have been advisable and essential for the Senate to pass those three applications for the incorporation of banks and then to send them to the House of Commons, before they were referred to the committee on banking and commerce after second reading.

I am really amazed to see that the business men going under the name of The Laurentide Bank of Canada are dead set on presenting a bill to get a bank charter, while they are perfectly aware that a bill to amend the Bank Act and banking is already on the order paper. In fact, the right hon. Prime Minister (Mr. Pearson) said something about it barely two days ago. Since that resolution must be considered prior to July 1, I fail to see what would be the use of accepting or granting new chartered banks before we get the result of the Bank Act revision.

• (5:20 p.m.)

These people who are asking for a bank charter seem in a great hurry. It looks as if there is something in it for them. That is why we do not want new chartered banks approved until the Bank Act has been examined by the House of Commons.

On several occasions over the last few years, we denounced the excessive discretionary powers granted to the present chartered banks. These powers are too wide because they give some individuals absolute control over the whole country's economy.

Chartered banks are the very basis of our country's monetary system and, consequently, of its economic life.

A country's monetary system is, with regard to its economy, the wheel, accelerator and brakes of an automobile, that is the most important parts of the car.

In fact with the powers they hold at the present time, the chartered banks control all the economic activity of our nation. They can speed it up, as it happens in certain years, or slow it down, as they please.

We have had an example of this during the depression years from 1929 to 1939. It was not that the people were not able to work or produce, but the chartered banks had restricted credit in order to control in an even more frightening way, the economic blood stream of the nation, i.e. money.

The chartered banks hold in their all-powerful hands the economic life or the economic life blood of individuals, companies and in fact, of the whole nation. Our economic life will have its ups and downs depending on the way they increase or tighten credit.

It is to remove or reduce the influence of chartered banks at the present time and show the deadly danger of leaving in the hands of some individuals such a dangerous weapon which can increase or decrease credit, that is the reason I object to the setting up of new chartered banks.

That is why, Mr. Speaker, I am pleased to second the amendment moved by the hon. member for Charlevoix (Mr. Bélanger), namely: that we should not accept, now or at any time, these new chartered banks; that the measure be hoisted six months and that we wait for the outcome of debates in the House of Commons concerning the Bank Act, which should come up in a few weeks, in view of the announcement made yesterday or the day before, by the Prime Minister himself.

That is why we should agree to the amendment moved by the hon. member for Charlevoix.

Mr. Gérard Perron (Beauce): Mr. Speaker, so that it will not be said that the war ended for lack of warriors, I take the liberty of coming back to Bill No. C-95, an application by a group of persons who have the privilege, like others throughout the country, of operating a banking business.

I would not deny them that right, provided we are properly enlightened on their aims and on the possible repercussions of granting such a right to that group of financiers who, from certain information we have, already possess considerable power in the country's financial or monetary affairs.

Among the applicants we see the names of Mr. Peter Paul Saunders, executive, Mr. Elliott Saxton, executive, Mr. William Crossley Mainwaring, executive. All those men are also managers, directors or shareholders of a finance company known as Laurentide Finance. Most of them gave evidence before the Senate committee.

According to No. 1 of the report of proceedings, Mr. Peter Saunders testified on Wednesday, May 27, 1964, that the promoters of this bank are well-intentioned and have been planning for several years to own a bank charter which would surely enable them to broaden their monetary activities, within the country and, I would even say, abroad. That explains what they intend to do with respect to the distribution of the capital stock of that bank. Page 9 of the report of the standing committee, reads as follows:

—it is now intended that the bank will be financed by a portion of the capital to be issued

being offered to the shareholders of Laurentide Financial Corporation Ltd.,

—a finance company which has been doing business about ten years in Canada, both in the province of Quebec and in the other provinces, under the legislation governing small loans companies and consumer credit companies.

We all know that interest rates are charged on those small loans granted consumers for the purchase of production or consumer goods. Those people would be given a powerful weapon should they be granted, through a chartered bank which they would own themselves, the power to multiply the promissory notes signed by the borrowers of the Laurentide Financial Corporation Ltd., because for all such loans, the borrower must necessarily sign a note whereby he promises to reimburse every month on a certain date, during a period of 10, 12, 24 or 30 months, an amount which includes the principal and interest.

But when we examine those loans, we realize that the rate of interest charged is unreasonable.

The granting of this charter to the petitioners would therefore mean that vested rights would be given to persons who already exercise very strong powers in the monetary field in this country.

• (5:30 p.m.)

The Minister of Finance stated recently that he hoped the Canadian Parliament would, through the Bank of Canada, exercise better control, I would even say closer control, over the amount of money in circulation or over the money supply in Canada.

I do not think his goal will be achieved by granting charters to banks or companies or persons who, I agree, have a lot of experience in banking or in money matters.

In order to clarify the matter, the witness states, as reported on page 10 of this report:

I have mentioned that we consider it desirable for the proposed bank to ally itself with Laurentide Financial Corporation Ltd., with which company a number of us appearing before you today are associated in one way or another. It may be of interest to the members of the committee to know that the directors of Laurentide Financial Corporation formed the intention, approximately eight years ago, to assist in the formation and development of a new Canadian chartered bank. This was prompted by their view, which continues today, that such an institution could be of benefit to and be assisted by that company to the advantage of each—

I do not know whether they meant the Canadian company or their own company.

[Mr. Perron.]

—of benefit to and be assisted by that company to the advantage of each.

He goes on to say:

Active co-operation toward this end commenced some four years ago—

Here, Mr. Speaker, is the explanation of what I referred to not only in regard to monetary and banking business in Canada but also to its important and far reaching effects—

Active co-operation toward this end commenced some four years ago when Laurentide Financial Corporation Ltd., together with local interests, formed the Commonwealth Industrial Bank Limited in the Bahama Islands. At about the same time, the company began to locate its offices in Canada in premises which could be suitable for the operation of bank branches. There are now more than 70 such locations distributed amongst the provinces of Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia.

Thus a man could, perhaps under normal circumstances, go to the bank to borrow $1,000, $2,000 or $3,000 and be turned down. He might then climb one flight of stairs in the same building and go to the Laurentide Finance Limited where he could obtain a loan at the rate of 18 or 24 per cent interest. The next day, the same note used on the next floor up has now come down and meets the terms required under the Bank Act by those moneymakers controlling the economic blood of the nation. They are becoming the true masters of family life and individuals and they also control this parliament to a very large extent.

Certain facts are quite revealing, according to this:

A correlation of the growth in national income and the assets of all the Canadian chartered banks shows a remarkably similar pattern. In the nine-year period ending December 31, 1963, the national income increased by 72 per cent as did the assets of the chartered banks.

Assets of chartered banks, therefore, have also shown the same increase as the national income, that is an increase of 72 per cent in nine years of operation, nine years of labour by the Canadian people, nine years of intensive development of our natural resources. During the same period, the Canadian chartered banks, of which there are eight, recorded the same rate of progress.

Now, Mr. Speaker, I feel that we, of the Ralliement Créditiste, have the right to ask for more accurate information. We want to obtain fuller information concerning banking operations. That is why we are in favour of setting up a committee, to make a thorough investigation of our banking system as well as of the recommendations of the Porter commission. In allowing private enterprise, that

is, those institutions called banks, to create and control the economic lifeblood of the nation, that is money, be it coins, currency or scrip money, in the form of figures, in my opinion we are failing in our duty as representatives of the people in Parliament.

It has been said and repeated many times that governments have failed to carry out their lofty purpose because they allowed private enterprise to control money, credit, at will; because they gave the chartered banks the absolute control over the creation of credit, the monetizing of credit in Canada.

I think we would be remiss in view of the fact that within a few months, that is by December 31, we will revise the Bank Act in this country.

We have witnessed too many financial ups and downs in Canada, that is times of the lean kind, corresponding to credit restrictions which lead to immediate economic crises, as a result of which we starve in spite of an abundance of wheat, and we realize that periods of prosperity occur when international or national interests must be adequately protected. Then, large credit facilities are made available and the sky is the limit when war production is concerned. Nevertheless, in the past, we have experienced the effect of credit restrictions, especially between 1930 and 1939. The situation was the same in 1932 and 1953 when restrictions were set. It was a period of unemployment and the situation was very serious in the country at a time when there were 700,000 to 800,000 unemployed. Was there a shortage of natural resources, workers, brains and roads to be built? Definitely not. Everything had slowed down in the field of consumption and the use of consumer goods.

Then, if money can have such important repercussions on the Canadian people as a whole, it is normal we should consider it as a social instrument, rather than, as suggested by the banks, as a third commodity that they have the privilege to manufacture as they please, but actually as a social instrument to be distributed and put into circulation at the same rate as society itself, through scientific progress, the labour of man and the development of natural resources. It should be distributed as a commodity at the disposal of human beings. Goods exist in order to satisfy our needs. This third commodity, as suggested by bankers, being controlled by private enterprise called banks, does not always constitute a bond between the two. That is why if we do not always support the views of those so-called economists who warn us of periods of recession and of tighter credit especially for workers and farmers, because when the big fellows are on the verge of bankruptcy, credit is released and new life is put into the economy. When the wheel turns too fast, credit is once again curtailed.

Such are the theories advocated, for instance, by the Secretary of State (Mr. Lamontagne) who explained them in a document put at the disposal of Quebec citizens. As far as we are concerned, our economic theories are to give new life to the Canadian people so that they will no longer be deprived in the midst of prosperity and the poorest will be sure to get enough to live on thanks to the government which, in the exercise of its sovereign rights, will control through its agencies normal social credit which will allow for a better development of our wealth and will give our poor classes a chance to enjoy the country's prosperity.

[*English*]

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I am not sure how many times this bill has been before the House in this session and we remember, of course, that it was also before the House on a number of occasions in the last session. This is the first time I have entered the debate and I assure the House my intervention will be very brief.

There is a new development in Canada which is more or less a reversal of the trend in past years, when the number of banks operating in this country was constantly decreasing. In recent months there have been three applications for charters and it would seem that this is all to the good. I believe this development is a healthy one that should be welcomed. I do not know whether it will result in making it a little more uncomfortable for those already engaged in the banking business in Canada, but I am sure it will eventually be to the advantage of the economy and of our people as a whole.

• (5:40 p.m.)

Now, the principle of competition in banking has been urged by the Royal Commission as necessary to the proper and adequate functioning of our financial system. I believe the suggestion that has been made that there is already adequate competition amongst the various banks of our country is open to question. In the banking commission report we received some time ago two dangers were pointed out. The first was the danger of agreements which would limit competition amongst

financial institutions. The second was the concentration of the financial system.

This is not the time, Mr. Speaker, to discuss over-all banking procedure and the monetary system. We are looking forward to the opportunity of debating this more fully when we return to the various bank items that have been introduced and which will be considered at a later date. There have been several developments that are giving cause for great concern. First of all, there was the announcement by the Minister of Finance (Mr. Gordon) concerning his intention to introduce amendments which would prohibit provincial governments from owning bank's shares. This subject may be considered a little beyond the ambit of this particular bill, but it does mean that provincial governments would not be able to invest any money whatever in the shares of this particular bank, were it to be granted a charter. I think the Minister of Finance knows very well that when he brings this matter before the House there is going to be serious opposition taken to it. It is going to be criticized most strongly because we are definitely of the opinion this is something that should not be done; he should not forbid provincial governments purchasing the shares of banks. We believe it is an infringement of the rights of the elected representatives of the people in another jurisdiction to introduce such a measure. This is one of the things that is causing a great deal of concern and it does enter our minds when we are discussing the measure we have before us.

The other factor is the action of the other place in dealing with applications such as the one we have before us today. As has been pointed out, there were three applications to the other place during the last session. It seems that two were granted without serious opposition, yet the third was turned down. When the report of the Banking and Commerce Committee of the other place was dealt with, one application was rejected and the matter referred back to the Banking and Commerce Committee. The interesting thing is, Mr. Speaker, that the application of the Bank of British Columbia was referred by the other place to the Banking and Commerce Committee. Then the other place immediately took a long recess. It does not seem as though they are too much interested in getting this particular application through, at least not as much interested as they were in getting the other two applications through. These things seem rather strange. There may be certain considerations that enter into the picture which may be questioned, but it certainly looks rather strange from this vantage point.

There are other things that I believe are of interest about the particular bill before us. It has been indicated the bank intends to establish headquarters in Vancouver. We all appreciate the tremendous developments that are taking place in British Columbia. Certainly I think that Province warrants something like this. I feel it is a good thing so far as this particular measure is concerned. Then, too, the directors are residents of Canada. This is commendable because in the past there has been a great deal of opposition to the acquisition of Canadian enterprises and industry by those outside our borders. This is a desirable feature, therefore, of this particular measure.

As I say, Mr. Speaker, I believe that the multiplication of banking institutions in Canada is a desirable thing. I have no particular objection to this particular bill except this, and it has been mentioned several times and was dealt with specifically by the hon. Member for Lake St. John (Mr. Lessard) last session, when he pointed out that the bank could possibly become the wholesale office for the retail outlets of the Laurentide Finance Company. This is something open to question; we wonder if it is desirable. It could be abused and it could possibly have a very serious effect on our people and on our economy. Nevertheless, let me say again that I believe there should be additional banks established in Canada. For that reason, I believe that possibly we should delay the passage of this particular bill until the other one comes from the other place. Then, as has been pointed out, the three could be considered together in the light of the needs of Canada for banking institutions and in the light of the debates that will possibly take place on the question of banks and banking in Canada.

• (5:50 p.m.)

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, Bill No. C-95, an Act to incorporate the Laurentide Bank of Canada, has been under study and under consideration for a few weeks under this title, while last year we considered a similar bill from the other place.

As was stated by the hon. Member for Fraser Valley (Mr. Patterson) we have no objection to the proliferation of banking institutions or banks in Canada. On the other

hand we are against an application being treated differently from other applications.

Today we are considering Bill No. C-95. There is also Bill No. C-99 to incorporate the Bank of Western Canada, but the bill we do not have concerns a bank which would be called the Bank of British Columbia. This bill has not been dealt with in the other place, in the same way as the two other applications for the setting up of new banks in Canada. When the three bills respecting the setting-up of banks are introduced together in the house, and referred later to the Banking and Commerce committee, we will allow the passing of Bills C-95 and C-99; but until then, if any discrimination is shown as at present, we in turn, will do likewise.

We are now considering the amendment moved by the hon. member for Charlevoix (Mr. Bélanger), for a six months' hoist. Well, after the vote on the amendment moved by the hon. member is taken, we will introduce a further amendment for another six months' or even 12 months' hoist if necessary. So long as the other bank bill is not introduced in the same way as the other two I have just mentioned, we will vote against the others.

Bill No. C-95 provides that:

—the persons hereinafter named have by their petition prayed that it be enacted as hereinafter set forth—

Precisely along the same line as the act now governing chartered banks in Canada.

—and it is expedient to grant the prayer of the said petition: Therefore Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

1. Peter Paul Saunders, Executive, Andrew Elliott Saxton, Executive, William Crossley Mainwaring, O.B.E., Executive, Paul Britton Paine, one of Her Majesty's Counsel, Howard Theodore Mitchell, Publisher, and Edgar John Saba, Merchant, all of the City of Vancouver, in the Province of British Columbia, and Lionel Leroux, Notary, and Bernard de Lorimier Bourgeois, one of Her Majesty's Counsel, both of the City of Montreal, in the Province of Quebec, together with such persons as become shareholders in the corporation by this Act created, are incorporated under the name of Laurentide Bank of Canada, hereinafter called "the Bank".

Now, Mr. Speaker, I have received in my office, among the citizens I have just mentioned, visitors from British Columbia and the province of Quebec who told me that the purpose of this bank is to give sound help to the poor French Canadians of the province of Quebec who have been unable, up to the present, to finance their own projects through their own financial institutions, and to help small wage earners in the province of Quebec to spread their wings, to gather economic momentum, to develop and to expand the economy of the province of Quebec.

In the province of Quebec, we have chartered banks. For instance, the National Canadian Bank, which was established by French Canadians, to assist French Canadians, to finance the province of Quebec, to finance the economic development of the province of Quebec. There is not a single Canadian bank that is stingier than the National Canadian Bank when it comes to banking operations, to assisting the economic development of a province like ours or of any province.

An hon. Member: One has to resort to the Royal Bank.

Mr. Caouette: Yes, one has to resort to the Royal Bank.

I can see that the hon. Member for Argenteuil-Deux-Montagnes (Mr. Drouin) is applauding. He probably finds it difficult to borrow from the National Canadian Bank.

The privileges requested by the Laurentide Bank are exactly those enjoyed by the other chartered banks throughout the country. What are those privileges? Well, let us assume I walk into the Laurentide Bank of Canada after it has been established, and I borrow $10,000. Under the law now governing Canada's chartered banks, I borrow $10,000 at 6 per cent interest, which amounts to $600. As I do not quite need the $10,000 immediately, I put the money into a savings account rather than a current account. The bank will pay 3 per cent interest on my savings account, that is $300 on my $10,000 deposit. This means that I lose $300 per year if I do not use the $10,000 I have borrowed.

But that is not the paradox. It is that, whenever I open a savings account in any branch of a bank in Canada, immediately my savings account is transferred to the reserve account of the said bank, and then the bank has, or will have soon, a right—if the legislation to decrease their reserve to 7 per cent comes into force—to multiply my $10,000 savings account by 14½ times, thus creating $145,000 worth of credit at 6 per cent interest; this will yield the bank $8,700 in interest per year, in addition to the $600 I pay on my loan, which means $9,300 in addition to the $10,000 I borrowed one year before. That is the paradox. And that is the monetary system that the Grits as well as the Tories persist in maintaining in Canada, a system which breeds poverty and which resulted in small people becoming smaller in greater numbers and in big people getting

bigger in greater numbers in all Canadian provinces. In fact, the power of the banks is almost unlimited. For instance, someone may borrow out of the $145,000 created by that savings deposit because it makes up a reserve for the chartered bank, giving it authority to multiply again by 14½ the amount of its reserve. We may say that Canadian banks have an unlimited power which is laid in the hands of a small group of men who are not the owners of that money but who are the depositaries of those funds that they manage as they please.

We do not object to having two, four or ten more banks in the country. We are not against the system itself. We ask that the banks have a 100 per cent reserve like the credit unions. Then, the banks will be able to lend exactly as they do today, but they will lend what they have and not what they do not have. The only institution which should have that power to multiply by 14, 15 or 20 is the Bank of Canada, owned by the Canadian people. And that is the responsibility of a Parliament that is responsible, sovereign and able to assume its own responsibilities in a country such as ours.

Mr. Speaker, as I pointed out at the beginning of my remarks, we do not object to other banks being incorporated in Canada. Besides, in the committee on banking and commerce we will be able to discuss the control placed in the hands of these few individuals, but when I see the government placing before us all kinds of legislation designed to restrict private enterprise, which builds something in Canada, in brief to restrict the personality of men and individuals in Canada, then I object.

However, when we should tackle our monetary system, members on the other side of the house remain silent. In fact, to your right, people seem to be out of breath, without any voice in short they are unable to express themselves when we have to deal with monetary matters.

Well, we, in this corner of the house, the Créditistes, will not be afraid to speak time and again on this question.

[*English*]

Mr. Deputy Speaker: Order. The hour appointed for the consideration of private Members' business has now expired.

[Mr. Caouette.]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED UNDER ADJOURNMENT MOTION

Mr. Deputy Speaker: It is my duty, pursuant to provisional Standing Order 39-A, to inform the House that the questions to be raised at ten o'clock p.m. this day are as follows: (1) the hon. Member for Burnaby-Richmond (Mr. Prittie)—C.B.C.—request for better facilities in Vancouver; (2) the hon. Member for Carleton (Mr. Francis)—Parliament Hill—provision for parking for tourist buses; (3) the hon. Member for Kootenay West (Mr. Herridge)—Labour relations—Hal Banks—deposit in Montreal bank to cover wages of S.I.U. seamen.

The House will now resume the business that was interrupted at five o'clock.

HOUSE OF COMMONS

AMENDMENT OF STANDING ORDERS RESPECTING CONDUCT OF BUSINESS

The House resumed consideration in committee of the following resolution—Mr. Pearson—Mr. Lamoureux in the Chair.

That the following amendments be made to Standing Orders:

1. That Standing Order 6 be deleted and the following substituted therefor:

Standing Order 6

6. (1) At 6:00 o'clock p.m. on Wednesdays and Fridays and at 10:00 o'clock p.m. on Mondays, Tuesdays and Thursdays, unless provided otherwise in these Standing Orders, Mr. Speaker shall adjourn the House without question put until the next sitting day.

(2) A motion that the House continue to sit after the hour specified in Section (1) may be made at any time without notice. If any member objects to the motion, Mr. Speaker shall request those members who object to rise in their places and if ten or more members then rise, the question shall not be put on the motion. If no member objects or if fewer than ten members rise in their places, the motion shall be deemed to be carried. No debate or formal vote shall be held on such a motion to extend a sitting. An extended sitting under the provisions of this Section, unless a closing time has been specified, shall not be terminated except by the adoption of a motion to adjourn and Mr. Speaker shall not deem that a motion to adjourn the House has been made by virtue of the operation of any other Standing Order.

(3) If any member objects to the taking of a vote at any time between 1:00 o'clock p.m. and 2:30 o'clock p.m. or between 6:00 o'clock p.m. and 8:00 o'clock p.m., Mr. Speaker shall request those members who object to rise in their places and if five or more members rise, the taking of the vote shall be postponed until after 2:30 o'clock p.m. or until after 8:00 o'clock p.m. as the case may be.

(4) When it is provided in any Standing Order or in any order of the House that the business under consideration at the ordinary time of adjournment be forthwith disposed of or concluded, Mr. Speaker shall not adjourn the House until the specified proceedings be completed.

2. That Section (1) of Standing Order 12 be amended to read as follows:

Standing Order 12, Section (1)

12. (1) Mr. Speaker shall preserve order and decorum, and shall decide questions of order. In explaining a point of order or practice, he shall state the standing order or authority applicable to the case. No debate shall be permitted on any such decision, nor shall any such decision be subject to an appeal to the House.

3. That Sections (3) and (4) of Standing Order 15 be amended to read as follows:

Standing Order 15, Sections (3) and (4)

15. (3) Except as otherwise provided in these Standing Orders, the order of business for the consideration of the House, day-by-day, after the daily routine shall be as follows:

(*Monday*)

Questions.
Government orders.
(*From six to seven o'clock p.m.—Private Members' Business*)
Notices of Motions.

(*Tuesday*)

Government orders.
Questions.
(*From six to seven o'clock p.m.—Private Members' Business*)
Public bills.

(*Wednesday*)

Questions.
Notices of motions for the production of papers.
Government orders.
(*From five to six o'clock p.m.—Private Members' Business*)
Notices of motions.
Public bills.

(*Thursday*)

Government orders.
Questions.
(*From six to seven o'clock p.m.—Private Members' Business*)

A. On the first and each alternate Thursday thereafter:
Notices of motions (papers).
Private bills.
Public bills.

B. On the second and each alternate Thursday thereafter:
Private bills.
Notices of motions (papers).
Public bills.

(*Friday*)

Government orders.
Questions.
(*From five to six o'clock p.m.—Private Members' Business*)
Public bills.
Private bills.

(4) When a debate on a motion "That Mr. Speaker do now leave the Chair" for the House to go into Committee of Supply is in progress at 6:00 o'clock p.m. on either a Monday or a Tuesday, the order for Private Members' Business on that day shall be suspended.

4. That Section (2) of Standing Order 31 be amended to read as follows:

Standing Order 31, Section (2)

31. (2) When the business of Private Members is being considered, no member shall speak for more than twenty minutes at a time.

5. That Section (5) of Standing Order 39 be enacted to read as follows:

Standing Order 39, Section (5)

39. (5) Before the Orders of the Day are proceeded with, questions on matters of urgency may be addressed orally to Ministers of the Crown, provided however that if in the opinion of Mr. Speaker a question is not urgent, he may direct that it be placed on the Order Paper, provided also that the time allowed for a question period prior to the calling of the Orders of the Day shall not exceed thirty minutes.

A member who is not satisfied with the answer given to a question asked on any day at this stage, or a member who has been told by Mr. Speaker that his question is not urgent, may give notice that he intends to raise the subject-matter of his question on the adjournment of the House. The notice referred to herein, whether or not it is given orally during the question period before the Orders of the Day, must be given in writing to Mr. Speaker not later than 5:00 o'clock p.m. the same day.

6. That the Standing Orders be amended by adding thereto a new Standing Order 41-A, to read as follows:

Standing Order 41-A

41-A Unless notice of motion has been given under Standing Order 41, any member proposing to raise a question of privilege other than one arising out of proceedings in the Chamber during the course of a sitting shall give to the Speaker a written statement of the question at least one hour prior to raising the question in the House.

7. That Standing Order 43 be amended by adding thereto a new Section (2), to read as follows:

Standing Order 43, Section (2)

43. (2) When debate on any motion made under Standing Order 15 (2) is adjourned or interrupted, the order for resumption of the same shall be transferred to and considered under Government Orders.

8. That Standing Order 44 be amended to read as follows:

Standing Order 44

44. When a question is under debate no motion is received unless to amend it; to postpone it to a day certain; for the previous question; for reading the orders of the day; for proceeding to another order; to adjourn the debate; to extend the sitting of the House; or for the adjournment of the House.

9. That Section (4) of Standing Order 59 be amended to read as follows:

Standing Order 59, Section (4)

59. (4) The Chairman shall maintain order in the Committees of the Whole House, deciding all questions of order subject to an appeal to Mr. Speaker; but disorder in a committee can only be censured by the House, on receiving a report thereof. No debate shall be permitted on any decision.

House of Commons Procedures

10. That Standing Order 65 amended to read as follows:

Standing Order 65

65 (1) At the commencement of each session, a special committee, consisting of seven members, shall be appointed, whose duty it shall be to prepare and report, with all convenient speed, lists of members to compose the following standing committees of the House:

(*a*) on Agriculture, Forestry, and Rural Development, to consist of 45 members;
(*b*) on Broadcasting, Films and Assistance to the Arts, to consist of 22 members;
(*c*) on Crown Corporations, to consist of 22 members;
(*d*) on External Affairs, to consist of 22 members;
(*e*) on Finance, Trade and Economic Affairs, to consist of 22 members;
(*f*) on Fisheries, to consist of 22 members;
(*g*) on Health and Welfare, to consist of 22 members;
(*h*) on Housing, Urban Development and Public Works, to consist of 22 members;
(*i*) on Human Rights and Citizenship and Immigration, to consist of 22 members;
(*j*) on Industry, Research and Energy Development, to consist of 22 members;
(*k*) on Justice and Legal Affairs, to consist of 22 members;
(*l*) on Labour and Employment, to consist of 22 members;
(*m*) on Miscellaneous Estimates, to consist of 22 members;
(*n*) on Miscellaneous Private Bills, to consist of 22 members;
(*o*) on National Defence, to consist of 22 members;
(*p*) on Northern Affairs and National Resources, to consist of 22 members;
(*q*) on Privileges and Elections, to consist of 22 members;
(*r*) on Public Accounts, to consist of 24 members;
(*s*) on Standing Orders, to consist of 22 members;
(*t*) on Transport and Communications, to consist of 22 members; and
(*u*) on Veterans Affairs, to consist of 22 members.

(2) The Special Committee shall also prepare and report with all convenient speed, lists of members to compose the following standing committees:

on Printing, to act as members on the part of this House on the Joint Committee of both Houses on the subject of the printing of Parliament, to consist of 23 members;

on the Library of Parliament, so far as the interests of this House are concerned, and to act as members of the Joint Committee of both Houses, to consist of 21 members;

provided that a sufficient number of members of joint committees shall be appointed so as to keep the same proportion in such committees as between the memberships of the House of Commons and Senate.

(3) A majority of the members of a standing committee shall constitute a quorum unless the House otherwise orders;

Provided that, in the case of a joint committee, the number of members constituting a quorum shall be such as the House of Commons acting in consultation with the Senate may determine.

(4) The Standing Committees shall be severally empowered to examine and enquire into all such matters and things as may be referred to them by the House; to report from time to time their observations and opinions thereon; to send for persons, papers and records; and to print, from day-to-day, such papers and evidence as may be ordered by them, and Standing Order 66 shall not apply in relation thereto.

(5) Any member of the House of Commons who is not a member of a standing committee, may unless the House or the standing committee otherwise orders, take part in the deliberations of the standing committee, but shall not vote or move any motion or any amendment or be counted in the quorum.

11. That Standing Order 99 be amended to read as follows:

Standing Order 99

99. No Bill for the incorporation of a railway or canal company, or for authorizing the construction of branch lines or extensions of existing lines of railways or of canals, or for changing the route of the railway or of the canal of any company already incorporated, shall be considered by the Committee on Transport and Communications, until there has been filed with the committee, at least one week before the consideration of the bill, a map or plan drawn upon a scale of not less than half an inch to the mile, showing the location upon which it is intended to construct the proposed work, and showing also the lines of existing or authorized works of a similar character within, or in any way affecting the district, or any part thereof, which the proposed work is intended to serve; and such map or plan shall be signed by the engineer or other person making the same.

12. That Standing Order 105 be amended to read as follows:

Standing Order 105

105. Every private bill, when read a second time, is referred to one of the standing committees as follows: bills relating to banks, insurance, trade and commerce and to trust and loans companies, to the Committee on Finance, Trade and Economic Affairs; bills relating to railways, canals, telegraphs, canal and railway bridges, to the Committee on Transport and Communications; the bills not coming under these classes, to the Committee on Miscellaneous Private Bills, and all petitions for or against the bills are considered as referred to such committee.

At six o'clock the Committee took recess.

AFTER RECESS

The Committee resumed at 8 p.m.

The Chairman: Order. When the Committee rose at 5 p.m. an amendment proposed by the hon. Member for Timiskaming was being considered. Is the Committee ready for the question?

Some hon. Members: Question.

Mr. Otto: Mr. Chairman, I do not want to take up the time of the Committee; however, the hon. Member for Timiskaming made some statements which I do not believe should go unchallenged. First he said that he could become quite obnoxious.

Mr. Scott: What is wrong with that?

Mr. Otto: I am not going to challenge that, either. In connection with this resolution he also said that there was something wrong about sitting through the lunch and dinner hour occasionally. Surely the hon. Member does not suggest that something spectacular happens apart from the dinner hour. Consider the time now, Mr. Chairman. It is not dinner hour. I am sure we will get as good an attendance as we have had on many occasions when there is no dinner or lunch hour. On top of that, it would not do us too much harm, some of us, to miss the occasional lunch and dinner hour.

Mr. Fane: Speak for yourself.

Mr. Lambert: Wear your own halo.

Mr. Otto: Specifically in connection with the private Members hour, Mr. Chairman, the hon. gentleman seemed to consider that the private Members hour should be at a more appropriate time. I want to challenge that, first. I think we should try to stick to the truth and with the knowledge that private Members hour is really of little use at the present time.

Some hon. Members: Hear, hear.

Mr. Otto: It is of very little use. Considering that a great number of Canadians are under the impression that a bill introduced by a private Member has some importance, I think it is about time we brought it to their attention that such a bill often cannot pass, and rightly so, because surely the hon. gentleman does not represent that a private Member's bill should pass without responsibility, and the Government have to take responsibility for it.

Surely no one can suggest that such a bill can always pass, and is it not just as well that, failing to do away with private Members hour completely, we should have it on some occasion when it does not interfere with the conduct of business in the House? I suggest we have come to the day when the time of the House is becoming very, very precious and it is time we dealt with the business of the Government rather than indulging in an exercise of elocution or debate. Having said that, Mr. Chairman, I just wanted to state to the Committee that I do not believe the arguments presented by the hon. Member really have much foundation in fact.

Mr. Peters: Mr. Chairman, I would expect that the remarks just made by the hon. Member are probably shared to a greater or lesser degree by most of the Members of the Liberal Party. It is quite true that over the years this matter of the private Members hour, and bills introduced by private Members—although some consideration has to be given to what they really are—must be of such a legislative nature that there is no financial responsibility resting on the Government. A private Member is not allowed to introduce a money bill. A money bill, of course, has to be introduced by way of resolution. While some resolutions can be introduced by private Members, the financial responsibility attaching to them has to be worded in such a way that the Government will give consideration to the spending of money, not that the Government will spend it.

This has not always been true because there have been one or two exceptions. One that comes to mind is the bill passed recently for which one of the colleagues of the hon. Member who has just spoken has taken some credit, and rightly so, whether or not the credit is on the debit or credit side of the ledger. This bill involved the matter of a very simple change in the name of our major air line, from Trans-Canada Air Lines to Air Canada. There was an incidental expense in this connection that has amounted to something like three quarters of a million dollars already, and there will probably be much more expense in the future. This I presume, because the Speaker allowed it, was an incidental expense and was really not involved in the original bill. But I think it is a fact that many of the bills which have been introduced over the years have been introduced to give some expression to a new idea and have in many cases—I referred this afternoon to the one concerned with the abolition of capital punishment—become popularized throughout the country and have actually been acted upon by the Government.

It is true that there is this caveat on the abolition of capital punishment that it is going to be a free vote. But it has been my impression since I have been in this House that there is no such thing in parliament as a free vote; that parties do insist on a certain amount of loyalty, and that we in Canada are not grown up in the political sense to the extent that we can really have what could be called a free vote.

The other matter, Mr. Chairman, is the attendance in this House. I am inclined to believe—and I think there are other hon. Members who will agree with me—that the attendance is going to be very sparse between

the particular period from six o'clock to eight o'clock. I suggest that it is quite likely there will be an adjournment during that period because of the lack of a quorum. In the committees which I have attended I have not noticed a predominance of Government Members, and often the reason a quorum was not obtained earlier was that the Government had not been able to provide their share of the people to make up the committee. I believe the same thing will be true in the House and the Government will be very hard pressed to persuade Members to take part.

I would like to mention one other matter that has not been raised; that is, the role of the Official Opposition. It seems to me that the new House Leader of the Opposition cannot go completely blameless with regard to some of the things that were decided in these very complicated relationships in reference to the Standing Orders. It would appear to me—and I may be doing him an injustice—that most of these changes have been made by agreement between the two major parties in this House for the specific purpose of trying, wherever the rules will allow, to re-establish the two-party system. I am not particularly concerned about the fact that I know the Members of his party are no less interested in having a dinner hour than most of the other Members of the House. In my opinion they are not quite in the same position as the Government Members.

Mr. Moreau: Mr. Chairman, may I ask the hon. Member a question?

Mr. Peters: Sure.

Mr. Moreau: I wonder whether the hon. Member is aware of the statistics on committees attendance. I wrote to Mr. Speaker for the figures with regard to the percentage attendance, by parties, in committees. I find in the reply which the staff prepared that the attendance on the Government side was better than any other party's, certainly better than the hon. Member's.

• (8:10 p.m.)

Mr. Peters: Mr. Chairman, I have not come prepared to debate attendance on committees in general, and I have no intention whatever of defending my party and its attendance in committees. However, I sit on several committees, one of which is the Agriculture and Colonization Committee, and I think no one who has sat on that Committee during the past year is unaware of the fact that it is always Government Members we wait for to get that Committee started; and it is always lack of Government Members which causes the Committee to cut short its session before the termination of the period it decided to sit.

I also point out that I am on several other committees, but as I am not statistically prepared to deal with attendances generally I can only speak about those I sit on. I am not quarrelling about this, but there is a tendency in this regard in other committees too. For example, on the Special Committee on Railways—

Mr. Moreau: Mr. Chairman, I rise on a question of privilege. The hon. Member is suggesting that his attendance on the Agriculture Committee has given him an insight into the statistics regarding attendance on that particular Committee. I would put on record that the N.D.P. attendance—

The Chairman: Order. That is not a question of privilege. I suggest to the hon. Member that the relative attendance of Members on committees is not relevant to the discussion at hand at the moment.

Mr. Moreau: On a point of order—

The Chairman: Order, please. The hon. Member for Timiskaming has the floor.

Mr. Peters: Mr. Chairman, I agree that this is not a matter now before the Committee. The only reason I raised it was because I was wondering whether we intend to set up here something which I doubt, from past experience, will be successful in providing even a bare quorum. I am also wondering whether the Government is removing the quorum during this period. It seems to me it might be very nice if the mover of a private Member's bill could get up and make his half hour's speech and then everyone could go to supper, and we would not have to go through the rigamarole of talking it out. If the Government would withdraw their Members during private Members hour they could always call it off because there was not a quorum.

If we are contemplating that type of action, must we not be rather silly to suggest that this will really provide more time and opportunity for discussion? I do not think there is a Member in this House who is convinced there is some use in private Members bills. Private Members often find when introducing a private Member's bill that the Government give it no consideration at all. Anybody with any connections with private Members business who believes this period serves some small function, would be more interested in

having the whole procedure involving private Members business improved immensely, rather than relegating it to a period in which it is quite obvious that nobody expects any great amount of attendance.

I am not in disagreement with some of the suggestions which are made in this section. However, it was necessary to move the deletion of the four paragraphs relating to standing order 6 because the changes which are being made eliminate the existing standing order. While this does not set new hours it does eliminate the hours we now have, substituting these four paragraphs instead.

I am not sure if anyone has considered private Members hour in relation to the practice developed over the years of presenting new ideas and philosophies to the House, which the Government may eventually introduce as legislation. Offhand I cannot think of too many examples of this, but since I have been here there have been at least four or five bills which have been accepted. As the previous speaker said, I am quite prepared to admit that in the main this was not as a result of a free vote, but they were accepted by the Government and literally reintroduced with Government support. This should be a consideration when deciding on changes such as those now contemplated.

The hope of the Government, Mr. Chairman, if there is any legitimate hope, is that this will eliminate the problem of private Members hour experienced by Governments within the last four or five years. But this is a problem which we as well as the Government should face independently of rule changes. Other countries have much different ways of introducing private Members legislation. They also have different ways of introducing public legislation through private Members. I suggest that the Government may not have taken a really close look at what this is going to do to some of the legislation which is controversial, which is receiving a great deal of attention and is developing into a filibuster situation. I think the Government have found a way of getting around it, but I do suggest that in days to come the warning I have sounded will probably prove to be the fact, and this particular section will have to be renegotiated.

I have talked to a number of people who say that they agree we should have enough polish and finesse to have regular breaks for lunch. I have heard no Government Member stand up and say that this has been considered in terms of staff requirements or any of the physical conditions which must be met when such a change is made. I have heard a number of Members say they do not agree with this and they just won't be here. They have said: "When my Whip says to me he wants me in the House between six and eight, I won't be there". That may be all very well, Mr. Chairman, but I would suggest that these Members of Parliament also have a responsibility to Parliament. It is not always the Government which makes the correct decision; some Members who feel strongly about things should also express their opinions. Therefore I give the warning, although I am sure my warning will not be heeded, that this step is going to make for a very interesting two hour period over the next two or three weeks, and we will just see how it develops.

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. Peters) negatived: Yeas, 12; nays, 60.

• (8:20 p.m.)

Mr. Barnett: Obviously the majority of the Members of the committee is not in favour of the amendment which was proposed by our hon. friend from Timiskaming, despite the persuasiveness of some of the arguments he put forward. I would have been happy to have joined him in putting forward arguments on this question, but in view of the general arrangements which have been made in connection with the consideration of these proposals it is probably undesirable that we should take a too-extended period in which to discuss any one aspect of the proposed changes in the Standing Orders.

However, I do feel some consideration should be given to the proposed first paragraph of Order No. 15. I have a feeling—though I am sure the President of the Privy Council would not be prepared to admit it is correct—that when the proposal to abolish the supper recess was originally considered by him and by his colleagues who were drafting it they had in mind providing, in effect, a sop to the Opposition side of the House to make up for the proposal to restrict the number of days spent in Committee of Supply, and the other measure to restrict debate in special circumstances, which will probably be passed in one form or another. It has become obvious that if this was the intention—

Mr. McIlraith: Would the hon. Member permit a question? Has he not been concerned

about the fact that in the course of the afternoon sittings, due to the length of the time taken on routine proceedings and the question period, and taking into account the private Members hour, there is very little opportunity left for the consideration of Government business? Is the hon. Member not concerned about this?

Mr. Barnett: The answer to that question is that the President of the Privy Council is proposing certain other action so as to make more time available for Government business in the afternoon. I realize we have not dealt with these proposals as yet. I am not maintaining for a moment that there have not been occasions during the last session or so when, between 2.30 and 6 p.m. the time available for the dispatch of Government business was much less that I think should have been available. I do not think this is the moment at which to discuss just how and why such a situation has arisen. I suppose each of us would have his interpretation of what has happened. Each of us could produce his own justification for actions he has taken as an individual Member which have helped to bring these circumstances about. But as I read this proposal it is that private Members business should be taken up in one of the hours which have been devoted in the past to the supper recess. Having regard to all the other proposals to speed up the dispatch of Government business which are being put forward, I do not see why this should be necessary, and I note that no argument has been put forward to explain why the House, having spent from six o'clock to seven o'clock on private Members business, should turn immediately to the consideration of Government business.

Other hon. Members have referred to the problems which the staff of the House will face. I listened with interest to a most eloquent speech on this subject by the hon. Member for Pontiac-Témiscamingue. So far, no spokesman for the Government has told the committee what practical measures are being proposed in an attempt to deal with this problem. I think we should have a statement from someone speaking on behalf of the Internal Economy Commission telling us just what the authorities have in mind in this regard. The President of the Privy Council very often acts as unofficial spokesman for the Commission in this House and I think we are entitled to have an assurance from him on this point. Possibly it is very well

[Mr. McIlraith.]

for us to subject ourselves to the indignities which are proposed in this motion, but it is quite another matter for us to foist a situation of this kind on those who are employed in the service of the House. I hope this aspect of the matter will be clarified or that there may be some modification of the proposal as it now stands before we end discussion on this particular part of the resolution before us.

Mr. Knowles: In line with the concluding suggestion just made by my hon. friend from Comox-Alberni may I put forward an amendment which obviously represents a compromise. It was our view, and it still is, that it is a mistake to add these two hours between six and eight. We think it is unfair to the Members of this House, unfair to the staff and unfair to the press. We believe it will not gain the time which the Government thinks will be gained. Our amendment which would have restored the two hour recess between six and eight o'clock and the one and a half hour recess on Friday has been defeated, so it would not be in order to move that proposition again. However, I should like to suggest to the Government that it go this far—that it provide for an hour's recess between seven and eight on Mondays, Tuesdays and Fridays.

It will be obvious that what I am offering is a compromise, giving more than we are asking. It accepts the proposition that we should sit straight through on Fridays. But I would urge, without repeating the arguments that have been made by other members of this group, that for this trial period the whole proposition the Government wants might work better if it would consider letting us have that one hour break on Mondays, Tuesdays and Thursdays. Therefore I move:

• (8:30 p.m.)

That subparagraph (1) of the proposed Standing Order 6 be amended by changing the period at the end thereof to a comma, and by adding immediately thereafter the following words: "provided, however, that at seven o'clock p.m. on Mondays, Tuesdays and Thursdays Mr. Speaker shall leave the Chair until eight o'clock p.m.".

Mr. McIlraith: Mr. Chairman, the amendment offered is an attempt to introduce something that I suppose superficially must appear to be attractive to many Members, but I think that the proposition that the House should sit continuously throughout the afternoon and evening is one that is in common usage in many of the jurisdictions of the world and seems to work satisfactorily. We have made a compromise on all of these rule proposals that I think is very far reaching

in that they will be applicable for the balance of this session and for one session thereafter on a trial basis only. I respectfully submit that we should proceed in that way, try out the suggested proposal and see if it will work. I am quite confident that it will. I sincerely believe that Members will like it much more than the present system under which they are actually forced to neglect that part of their work which involves their being back in their constituencies, in that through circumstances, not through any will of their own, they are kept here throughout the whole of the year. I think that much better results would be achieved by Parliament and in Members serving their own constituencies if our work was programmed so as to make it possible for Members to expect to be at home in their constituencies at least for certain periods of the year. For that reason I would ask the House to reject the amendment of the hon. Member and to try the proposition put forward.

Mr. Fairweather: Mr. Chairman, I want to ask the President of the Privy Council a question. What additional staff is contemplated to provide for these extra hours that the House will sit? Have these arrangements been put in motion?

Mr. McIlraith: The short answer is yes. I cannot give precise numbers but, for instance, additional *Hansard* reporters have been authorized, and an additional editor, and the same applies to the committee and other staffs. There is no doubt that it will take a little time to work out and perfect the system. That is perhaps the strongest reason of all for a trial basis for these rules, but the steps have been taken. Authority for the expenditure has been granted, and so on.

Mr. Barnett: Mr. Chairman, I was going to rise to ask a rather similar question of the President of the Privy Council. When I was speaking a few minutes ago I said I felt, and I still feel, that we should have in somewhat greater detail than the President of the Privy Council has yet indicated what plans are afoot. He mentioned the *Hansard* reporters, but he made no reference to the translators or to what provision will be made in respect of the protective staff, the page boys, the officers at the table and so on. I feel quite seriously that even those who are prepared to oppose the amendment of the hon. Member for Winnipeg North Centre are entitled to know what the situation is, because generally speaking I think they are concerned about the matter.

Mr. McIlraith: Mr. Chairman, I well understand the hon. gentleman's concern about the question. I am in some difficulty in answering it for two reasons. One is that under our system it is the responsibility of Mr. Speaker to provide the necessary staff to carry out whatever clerical and other tasks are needed by the House, but I think that answer is somewhat legalistic and is not sufficient to allay any fears in this regard.

The other difficulty is that if we were to engage staff permanently and start paying them before the changes were authorized this would, I am sure, bring a charge from the benches opposite of arrogant action on the part of the Ministers comprising the Internal Economy Commission. So for these two reasons it is not possible to give the kind of information the hon. Member wants. But it is possible for me to tell him that from the time these rules were put forward some tentative arrangements were developed, in conjunction with those responsible for the administrative services of the House of Commons. Working arrangements, if you like, were made with them to provide the organization and staff to service the changed requirements. Full cognizance has been taken of that factor.

There is no thought at all that we can extend the number of hours of sitting by 30 per cent and not increase the staff and rearrange the organization. There is no such thought at all. All these steps have been taken, the kind of steps that are preliminary to authorizing the expenditure and securing the establishment. In some cases additional prospective members of the staff have in fact been interviewed and have indicated their readiness to come. For instance, I might tell hon. Members that I asked this afternoon whether certain arrangements having to do with the ceremonial part of servicing the House between six and eight p.m. had been provided for. But it is impossible for me to go through the administration section by section and say what the staffs are. Speaking only from recollection, I rather think that three *Hansard* reporters and another *Hansard* editor are involved, and the same thing is true of other staffs.

Mr. Prittie: Mr. Chairman, the Minister has mentioned that authority will be granted for additional staff.

Mr. McIlraith: It has been.

Mr. Prittie: It may be possible to get extra page boys or *Hansard* reporters, but on Monday of this week the Secretary of State made a statement to the House in reply to questions I and the hon. Member for Quebec East had asked concerning interpreters, and the fact of the matter is that there are really not enough to do the work in Parliament and in its committees, as well as other jobs outside of Parliament. Furthermore, such people are simply not available in the country at the present time and even if authority is granted to hire more it will be quite some time before they can be secured. I do not know how this staff is going to cope with the problem of the hours of sitting when the staff is already spread very thin at the present time.

The Chairman: Is the Committee ready for the question?

• (8:40 p.m.)

[*Translation*]

Mr. Latulippe: Mr. Chairman, I should like to make a few remarks about the proposed amendment of the hon. Member for Winnipeg North Centre (Mr. Knowles).

For many days we have been discussing parliamentary procedure. It is needless to say that a reform of our parliamentary procedure is essential. However, I should say that our procedure and standing orders were not so bad, but when you make ill use of them, you are forced to amend the standing orders and to impose more severe restrictions. As some took an unfair advantage of our parliamentary procedure, we are forced to accept reforms.

Mr. Chairman, we on this side of the house are ready to agree to those reforms inasmuch as they are respectful of democracy and of the privileges of each member of this house.

No privilege of hon. members must be infringed upon and that is why we are ready to shorten the debate and even the time allocated for each speech. We are willing to accept reforms in several fields, as long as they respect democracy and the freedom of each member.

Hon. members should have the right to vote orally at any time. In ten or fifteen minutes, much can be said, provided that only the important and relevant matters are dealt with. We must not wander too far from the subject. In fact, we are ready to accept reforms under those conditions.

Mr. Chairman, if Canadian industries managed their business as we administer those of the state, many of them would be on

the verge of bankruptcy within 15 days, if not sooner, because we do nothing for the country. We waste the country's money and when we return to our ridings, people ask us what we are doing here—

The Chairman: Order. Perhaps the hon. member would allow me to interrupt to remind him that we are now considering paragraph 1 of Resolution No. 15. I would advise him to restrict his remarks to that part of the resolution.

Mr. Latulippe: Thank you, Mr. Chairman. Once again I revert to the amendment moved by the hon. Member for Winnipeg North Centre on the question of sitting during meal hours.

As a businessman of the twentieth century I find that everything has been reformed, that our great reformers, our great economists are reforming everything throughout the country, except the standing orders of the House of Commons, which have practically not been changed since confederation.

With regard to the motion, I feel that we must take enough time to eat, as businessmen would do. We must adjourn our debates at mealtime to allow everyone to live like human beings. We must also give all employees of the house, as well as the restaurant employees, time to live because we are no longer in 1914 or 1887; we are in 1965, in a country which has known progress not only in the field of science but in all fields. We have accepted all kinds of changes in all fields and we must do as much in the house.

Therefore, Mr. Chairman, hon. members' privileges must be preserved to the utmost; time allowed for debate can be shortened while giving every member the chance to express himself freely.

As far as the matter of a permanent Speaker is concerned, I fail to see what would be the use of changing the existing situation. We have our standing orders and the Speaker enforces them.

Personally, I have been satisfied with the successive Speakers we had since I have been a member of Parliament. I think that the Speakers have done their duty and I fail to see what purpose would be served by the appointment of a permanent Speaker.

We must take the Speakers as they are, we must select them from our membership and I believe that every Speaker considered it his duty to enforce standing orders. The Speakers who followed one another have enforced the rules and it is to the credit of the

House to have appointed Speakers such as those I have known since I came here. I am satisfied with the way Speakers are appointed.

Mr. Chairman, I suggest once more that parliamentary procedure in the house should have been improved a long time ago, but it was not done. In fact, we have no time to do anything nowadays.

There is the unemployment problem which should certainly take part of the time of the house, so that we may find a solution. There is also the problem of agriculture—

The Chairman: Order.

Mr. Latulippe: —there is the problem of finance—

The Chairman: Order. I regret to interrupt the hon. member, but I must remind him that he should limit his remarks to paragraph 1 of the resolution now before us.

Mr. Latulippe: Mr. Chairman, I would like to repeat to the House that we must take time out for meals at the proper hours.

I think that we are able to do a man's job within the regular sitting hours. We should be able to work and represent the Canadian people honourably during reasonable hours, without doing away with mealtime recesses.

Nowadays, we do not have time for anything in this House. When we must take our responsibilities, we are no longer able to do so. All matters are submitted to independent House committees for consideration, large sums of money are spent to set up committees and to pay employees outside the regular government staff.

It seems that members no longer have time to work; they do not want to take their responsibilities. We have great responsibilities; let us face up to them. We are paid to take our responsibilities; let us take them. We do not take them because a great number of committees have been created; the work is done by independent men, outside ranks of the citizens who are elected by the people.

We are the ones elected and paid by the people and, consequently, we must do our work. We do not do our work because we do not want to face up to our responsibilities. Great responsibilities rest on our shoulders; let us accept them. We have been elected because of our promises to the people to represent them with dignity. Therefore, let us abide by our oath of office.

I conclude my remarks in that vein and, again, I would like to have dinner at six o'clock and lunch at noon.

• (8:50 p.m.)

[*English*]

The Chairman: Is the Committee ready for the question?

Amendment (Mr. Knowles) negatived: yeas 17; nays 74.

The Chairman: Does this conclude the discussion on clause 1?

Mr. Knowles: May I ask the President of the Privy Council a question before we conclude discussion on paragraph 1, but first may I say I am glad to note we can count on 74 hon. Members being here between seven and eight o'clock.

In view of the Minister's statement that plans have been made to engage extra staff, but in view of his further statement that this extra staff cannot be engaged until after the House passes the order, is it the intention to bring this fully into effect on Monday of next week, or will there not be a few days or a week of grace so that the necessary adjustments can be made?

Mr. McIlraith: Mr. Chairman, the necessary arrangements have been made to bring this fully into effect on Monday.

Mr. Knowles: Does that mean there will be engaged by Monday sufficient extra *Hansard* reporters, *Hansard* editors, page boys, interpreters, translators, protective staff and all the rest?

Mr. McIlraith: Mr. Chairman, I do not keep track of the individual staff Members and which one is on duty for each day. As the hon. Member probably well knows, it will be done by a combination of circumstances, some by having extra hours of work, some by working on their normal days off, some by extra staff, and by various other arrangements.

Mr. Knowles: Will you handle the complaints?

Mr. McIlraith: Yes, Mr. Chairman, I will be very glad to.

[*Translation*]

Mr. Grégoire: Mr. Chairman, may I direct a question to the President of the Privy Council?

Would he take down the names of all the Liberal members who voted in favour of

the house sitting between seven and eight o'clock, so we may know when they are not here, they did not vote in earnest? For instance, the Members for Lévis (Mr. Guay), Montmagny-L'Islet (Mr. Berger), Saint-Denis (Mr. Prud'homme), Dollard, (Mr. Rouleau)—

An hon. Member: Order.

Mr. Grégoire: None the less, it would be interesting to know those who will respect their vote.

[*English*]

The Chairman: Order. Clause 3.

Mr. Baldwin: May I ask the President of the Privy Council whether, in the setting up of the new daily routine, he has taken into consideration the terms of a provisional standing order agreed to previously by which the term "oral questions" was placed on the daily routine of business? It may be that this has been taken care of elsewhere, but I note that no provision for oral questions is provided under the proposed Standing Order 15.

While I am dealing with this matter may I recall to his attention a discussion which took place earlier, and this compels me to refer to proposed Standing Order 43 which states:

> When debate on any motion made under Standing Order 15(2) is adjourned or interrupted, the order for resumption of the same shall be transferred to and considered under Government Orders.

When we were having a general discussion at the beginning of this debate several Members, myself included, drew to the attention of the President of the Privy Council and the Minister of Transport that if this were adhered to without any change at all, on a rigid compliance with the changed wording it would mean that motions for concurrence in committee reports would be transferred to Government Orders and might not be given the freedom which the House would desire.

At that time I suggested we might consider adding a new item to the daily routine, namely, motion for concurrence in committee reports. If the Government intends following that suggestion I suggest this is the place in which it might be effected.

Mr. McIlraith: Both points have been dealt with, Mr. Chairman. I notice the hon. Member referring to the small green publication. I think if he will check he will find that oral questions are covered in Standing Order 39(5). I have not checked this at the moment, but my understanding is that no change was made in Standing Order 15 to provide for the term "oral questions" where it appears on page 8 of the small green book. There are some changes in this small green book that were never authorized through changes made by the House. The point, however, is adequately covered by Standing Order 39, which is contained in clause 5 of the order before us, where the right for oral questions is quite clearly established. Incidentally, I will be moving an amendment to provide for the length of time allowed for them.

The other point raised by the hon. Member is dealt with in an amendment which I have undertaken to move when we reach clause 7. It is taken care of, not by amending Standing Order 15, but by adding a provision to Standing Order 43 which will provide that when the debate on any motion under Standing Order 15(2) is adjourned or interrupted, the order for resumption of the same shall be transferred to and ordered for consideration as the first order of business under Government Orders.

Then, to protect the right of the private Member to priority, it is proposed to change Standing Order 18 by adding a subparagraph stating that except as provided for in Standing Orders 43 and 56 the Government shall have the choice to arrange the business of the House under Government Orders.

Mr. Prittie: All of these changes are of great benefit to the Government but no provision has been made for an extension of private Members hour, which is to be given a change in time. Many Members feel dissatisfied with private Members hour at present. Some are dissatisfied because it is an hour and because nothing is ever decided, and invariably everything is talked out.

• (9:00 p.m.)

It is unfortunate that when the House is taking so much time to change the rules this matter has not been gone into and some suggestions made by the Government. Some Members suggest that the private Members hour as it exists at the present time is quite useless. I would not go that far. It has certainly some value; there is a chance to air certain ideas, they are reported in the press and some useful public discussion takes place. It has also some value from the point of view of the individual Member, I suppose, because it provides him with some publicity. But it can certainly be improved in many ways.

First of all, Mr. Chairman, I suggest that more time should be made available for the discussion of a bill. I do not expect that we

can get any time away from the Government to add to that hour, but I suggest there might be some type of consolidation of the private Members hour, bringing it forward once every two weeks, with possibly fewer bills, allowing more time for each bill to be discussed. As it is, three Members can take up the whole hour. We have some very interesting bills on the Order Paper. There are bills dealing with the freedom of the press. The hon. Member for Port Arthur has one about disclosure of news sources; the hon. Member for Leeds has one about the age of marriage; there are bills on the question of divorce, on lotteries and bingo. These are subjects on which many Members would like to express themselves and they are subjects which are of very much interest to people in the country. But, as I said, three Members can take up the whole hour at the present time and at the end of that hour the bill simply dies, and that is all there is to it.

I think we should be considering some change along this line. I have suggested that at least a minimum of two hours be provided for private Members bills, even if it means that we discuss fewer of them during each session. I should also like to suggest that a vote be required at the end of that time. This would not inconvenience anybody, in my opinion, except possibly the Government Whip. But if we believe in good attendance in the House of Commons, this should be no particular problem. Government Members talk these bills out so that the Government will perhaps not be embarrassed; but I do not think the situation is any different from ordinary legislation, when Opposition Members may move amendments, and if the Government does not want to accept them they simply have to get their forces out. I think it would be more satisfying to the private Members of this House if some type of decision could be taken on their measures after a proper form of discussion.

It may be that all these bills do not need to be talked out. It seems to me that the Government is not using the private Members hour enough as a vehicle for passing certain legislation. During the last session we did pass one such bill, which obviously had the blessing of the Government. I refer to the bill to change the name of Trans-Canada Air Lines. There is some suspicion that a private Members bill would be the vehicle for the discussion of the question of the abolition of the death penalty. It seems to me that measures of social reform could come forward this way and in many cases pass. But as it is now, I have spoken to Members of all parties, including the Government party, and they are not at all satisfied with the private Members hour. I would certainly urge on the President of the Privy Council that a committee on the rules be constituted to carry on a continuing type of study of the rules of the House, and the reform of the private Members hour should have a very important place in any study by such a committee.

The Chairman: Does this conclude the discussion on paragraph 3?

Some hon. Members: Agreed.

The Chairman: Paragraph 4?

Some hon. Members: Agreed.

The Chairman: Paragraph 5?

Mr. McIlraith: Mr. Chairman, with regard to paragraph 5, I did give, as a result of some discussion the other day, an undertaking that I would move an amendment to paragraph 5 to provide that there would be one day a week when the question period would be one hour in length. Before formally moving that motion I wanted to ask the Committee for a little guidance on one point. I had indicated that I would put forward certain other amendments to different paragraphs. Since we are working under an allocated time proposition, I wonder if it would be in order if I moved these amendments now; or what method does the Committee wish me to adopt to make sure that the amendments I have undertaken to put forward are put forward before the expiry of the time allocated?

Mr. Knowles: Mr. Chairman, since we have agreed that we are taking a paragraph at a time, we should stick to each paragraph; but perhaps the Committee would consent to the Minister reading at this time each of the amendments he proposes to move as we go through this resolution.

Mr. Churchill: Mr. Chairman, the only thing is this. We shall be entering into a rule perhaps later on, the so-called allocation of time rule, or closure by compartment. Let us follow that course now, because that is what it will be in the future. We will get accustomed to it.

Mr. McIlraith: I think that technically I have the right to move them all now.

Some hon. Members: No.

Mr. McIlraith: It is just a matter of which way is most convenient to the Committee. I am quite satisfied to do it whatever way the Committee wishes; I would just like their guidance on the point. I do not want to be in the position of being accused of not moving an amendment to the resolution that I have undertaken to move.

Mr. Churchill: Unless the amendments are moved the guillotine may fall later on and prevent them.

Mr. McIlraith: This is why we were very careful before we started this discussion to point out that there is one resolution only before the Committee.

Mr. Knowles: You could have had them all read by now.

Mr. McIlraith: Yes.

Mr. Churchill: You can read them, but not move them.

Mr. McIlraith: Then I would be out of order. Mr. Chairman, I move, seconded by the Solicitor General:—

Mr. Knowles: You don't need a seconder.

Mr. McIlraith:

That Section (5) of the proposed Standing Order 39 be amended by adding after the words "not exceeding 30 minutes", where they appear at the end of the first paragraph thereof, the words "except on Mondays when the time allowed for a question period prior to the calling of Orders of the Day shall not exceed one hour".

Mr. Fairweather: Mr. Chairman, the amendment here—I do not mean the one about the question period of one hour on Monday, but the whole philosophy behind curtailing the question period—is really not a very bad step on the part of the Government and will only cut in half the time that is now largely a period of questions of questionable order. I do not think it is going to sharpen question time. I had hoped that the Government would really take a bold step here and move to the British system, where notice of all questions is given, and where Parliament does not expect the chief minister, the Prime Minister, to be there each day. I think he is on duty, so to speak, on Tuesdays only. I really think it is a tragedy that we have been so timid about this.

• (9:10 p.m.)

Unless there is a drastic bringing to order of the type of questions asked, it is my submission that all we are going to do is to cut in half, or if today is any example cut by two thirds, a period which has largely been spent on asking questions of local interest which have no national importance. I am as guilty, I confess, as anybody else in this; we all become accustomed to bad habits and share in breaching the rules.

I think this is one place where we might pay tribute, as was done yesterday, to the former Speaker, the hon. Member for Edmonton West. A lot of people thought he was very tough. I thought he ran a very good show here, as a matter of fact.

Some hon. Members: Hear, hear.

An hon. Member: We would expect you to applaud that one.

Mr. Fairweather: I have never felt I had to applaud all Tories; that would be of no particular advantage. But I urge the Government to re-establish the Committee on Organization and Procedure and reform the question period. This measure will not do that at all.

Mr. Orlikow: Mr. Chairman, this is the first time I have spoken in this debate on procedure to any large extent because I recognize, as do most hon. Members of the House, that as the business of parliament becomes more involved and parliament is called upon by circumstances to take a more active role in directing the affairs of the country, unless Members of Parliament are to spend 12 months a year here we must have a great deal more direction in the work of parliament and a great deal more allocation of time than we have had in previous years.

The fact is, of course, that more time spent here will be taken up by Ministers of the Crown and the frontbenchers of each of the parties. Those of us who are backbenchers will take up less time and will have less opportunity to express our points of view. I think that anyone who thought about this change realized this from the beginning, but I think we accepted it because we realized there was no alternative if the business of parliament is to be done.

I have no objection to a limitation of the time devoted to question period, although I am skeptical that we will save very much time. I am not going to make any specific proposals for more changes to the rules because it seems to me there comes a time when you reach a point of diminishing returns; but it does seem to me that unless there is a different approach to the question period, with a half hour question period there

will be no time at all for questions other than those from Members on the front bench.

In this regard I am not blaming the Leader of the Official Opposition, the leader of our party or the hon. Member for Lapointe, to name just three examples, who are on their feet a number of times every day. I am not going to be too critical of the present Speaker because I know it is a difficult job. But I know that if I want to ask a question, or if any Member of the back benches on the Opposition side, or even backbenchers on the Government side, want to ask questions, I presume we will all have some difficulty.

Today was a good example. I wanted to ask a question which the President of the Privy Council did not think was a proper question for orders of the day. But the Speaker could not decide this until I had asked my question. I stood up when the question period started at three o'clock. At four o'clock the Speaker —and I am not blaming him—wanted to end the question period. I was still trying to ask my first question. The Leader of the Opposition and a number of other Members had been on their feet five, six, eight times.

Mr. McIntosh: You should sit down here.

Mr. Orlikow: It may be worse for those who sit behind the Leader of the Opposition, although I do not think so.

Mr. Starr: Your leader was up four times too.

Mr. Orlikow: I included my leader. I am not blaming the Leader of the Opposition alone; I did say that. There was a time though when there were at least 10 or 12 questions in a row from Members of the Official Opposition. I do not question their right to ask questions, but Members in this group and other groups could not get the floor at all.

Mr. Churchill: There are 93 of us.

Mr. Orlikow: If we are going to restrict time and be fair to all Members, the Speaker —whoever he is; I am not thinking only of this session—must exercise a good deal more authority and judgment than he has up till now. It seems to me that if we are going to restrict the question period to half an hour a day, then I would agree with the hon. Member for Royal and others who have said that the Speaker will have to rule a large number of questions, including possibly the question I tried to ask today, as not of an urgent nature and therefore permissible. But aside from that it seems to me that the Speaker will have to use some judgment in restricting Members so that no Member will be able to dominate the whole half hour.

I would suggest here that no Member be permitted to ask more than two questions on any day when other Members want to ask questions, and that a series of supplemental questions should not be permitted. As the Speaker has said on so many occasions, what we really get is not a series of supplemental questions but in fact a debate. We now have the period after ten o'clock for Members who are not satisfied with answers they receive, and surely that is the place.

Mr. Churchill: You are going to make it awfully hard for your colleagues in your party.

Mr. Orlikow: I am not concerned with my colleagues in my party; we can look after ourselves. I am concerned with the rights of all backbenchers regardless of party. We are all supposed to be equal here. It seems to me that the Members of this House are going to be like the animals in George Orwell's novel "Animal Farm", where he said that all animals are equal, but some are more equal than others. It seems to me that unless the Speaker is going to tighten up the whole question period, when many Members of Parliament—and all of us are elected from constituencies and theoretically are equal—and especially those on the back benches, will be a good deal less equal than other Members. I hope the Speaker will give some consideration to this problem if and when we adopt these rules.

Mr. Fisher: Mr. Chairman, I am really speaking for the benefit of the Speaker, particularly the Speaker who is in the Chair during the question period. It seems to me from my own experience that one way of cutting down oral questions is to have a much speedier reply to written questions, and especially starred questions. One of the things I hoped would be considered by the President of the Privy Council and House Leader is that we get together, somewhat along the lines suggested by the hon. Member for Carleton the other day, when he introduced his motion, and have a complete review of the whole subject of written questions, including starred questions, and the various rules in connection therewith.

I have been here long enough to have heard Speaker Michener, Speaker Lambert and the present Speaker—you find entries in *Votes and Proceedings* to confirm this—read off all the different rules regarding questions.

House of Commons Procedures

• (9:20 p.m.)

Every week there are dozens of examples of questions which do not meet these requirements. I do not think this holds so true with regard to written questions, but I am sure a number of these should not be accepted. I personally prefer to put starred questions and to get oral answers in most cases. But if you put down a starred question and it stays on the order paper for five or six weeks, it is hopeless. I make a practice of splitting up my questions so that they do not relate to more than one department, and then there is no excuse for making them an order for return.

On the whole I think this Government has done fairly well in answering written questions. But could we not get some rule or procedural arrangement which would, in a sense, allow for something like an adjournment debate if within a certain period of time a department had not answered a particular question? This would place a degree of pressure on the department, prompting a reply as soon as possible. It would also be a means of giving some satisfaction to individual Members. My suggestion is, I repeat, that with regard to written questions and particularly with regard to starred questions to be answered orally, a committee should examine the situation, having in mind the possibility of introducing a procedure as a means by which an hon. Member whose question has not been answered within a certain time would get some redress—for example, the equivalent of an adjournment debate during which he could raise the issue in which he was interested. I realize that no one in the Government is likely to speak on this subject: I am really addressing my remarks to Mr. Speaker.

This brings me to the position of Government Members during the question period. I have no objection to the younger Member for Halifax, or the Member for Lotbinière or the Member for York-Humber rising to ask questions from time to time. From my experience in this Parliament no more than ten or 15 Members supporting the Government have made a practice of asking questions on the Orders of the Day. But when we have a situation where the question period is limited to half an hour on four days a week, and an hour on the other day, it seems to me there will be some block against the asking of questions by Government supporters in terms of the umbrage likely to be caused among Members of the Opposition. There is also the onus which is placed on the Speaker.

[Mr. Fisher.]

After all, it is the Speaker who has to recognize hon. Members. I noticed my friend from Winnipeg North standing up for an hour today; the hon. Member for Carleton was bobbing up and down for a long time before he was recognized. Being recognized by the Speaker is one of the factors which is involved during this question period. I put it to Mr. Speaker that he will need to handle this whole question of the recognition of Government Members very carefully. People get to their feet to raise a question—

Mr. Pickersgill: Would the hon. Member allow me to ask him a question? Does he not think it would be a good idea if we were to restore the old practice which prevailed two or three Parliaments ago when Ministers were generally given notice of these questions before they were asked in he House? Instead of having a daily quiz program we followed this practice. Does the hon. Member not think its revival would result in far better answers and a far speedier operation of the whole business? I think this is the only Parliament in the world where questions are asked without notice first being given.

Mr. Fisher: Really, the hon. Member for Royal put his finger on it there. The British practice is, of course, to give notice. Over there they take their questions and make a list of them. The real spice during the British question hour comes from the supplementary questions. In this field my hon. friend from Kootenay West is an old practitioner. He does this. I do not say this is the reason why the Speaker, in recent months, has been anticipating his questions and declaring them out of order. Sometimes I think my hon. friend is not unhappy when this occurs because he is given the opportunity of dealing with the subject at ten o'clock. When I first came here he told me this was the practice, and I followed this practice. Then I noticed that very often, if a Minister was given four or five hours warning, his assistant would prepare a long answer which, very often was evasive. He would then read this in the House, and the Member asking the question faced an embarrassing situation. After such a long reply, what should he do?

There is another practice—and I am talking about what really happens, not about formalities. I can recall one occasion when I gave notice of a question concerning a strike in progress against the Northern Ontario Pipe Line Corporation. I received a telephone call

from the Minister in the course of which he gave me a great deal of information, very useful information indeed. Then he suggested, in a sense, that since I had got the information I wanted it was hardly necessary for me to ask the question. Of course, I was embarrassed. I had obtained the information that I wanted, it was true. But I also wished to bring the question to the attention of the House and, as a consequence, to the wire services and so on.

I see the Chairman holding up his finger as an admonition to me. All I can say is that the suggestion which the Minister made a few minutes ago should be taken up by whichever group considers this question. I certainly hope that should we get a committee to review the question process, backbenchers from both sides of the House will be well represented on it.

I sometimes think that Ministers and others who have been here for many years have lost sight of the urgency which prompts backbenchers or younger Members when they ask questions. Another point I wish to make in connection with Mr. Speaker and the recognition he gives to Members is this: The Chair recognizes seniority in the House during the question period in two ways, it seems to me. One type of recognition is recognition in terms of priority, and I have no quarrel with this. The assumption is that the Leader of the Official Opposition, as an official of the House, is entitled to catch the Speaker's eye first. The pattern seems to continue from there and, as I say, I am not quarrelling with that.

But there is a tendency for Speakers to recognize seniority in another and less desirable way, that is, by allowing a latitude to senior Members of the House which is not allowed to others. This applies both to the questions they ask and to the arguments they introduce. Backbenchers, particularly the newer ones, are not allowed this latitude. When it comes to an abuse of the form and the type of question, the Speaker must in all fairness be as severe in dealing with the most senior Members of this House as he is in regard to the most junior Members.

Mr. Lambert: Do they include the hon. Member for Kootenay West?

Mr. Fisher: I do not consider that the hon. Member of the Conservative Party who made that interjection is one of those in the Opposition who abuses the form of questions and turns them into argument. But he has been here long enough and he has been constant enough in his attendance to know that in all Opposition groups there are Members who get away with arguments and debate and nastiness, if I may use that term, during the question period, though the same latitude is not allowed to more junior Members. On the particular question of fairness and equity I suggest that what is fair for a junior Member of the House or one far back in the rows is also fair and should be applied to the senior Members of the House. I cannot leave this point without mentioning the fact that seniority is not recognized in the question period in so far as the Government and its Ministers are concerned, but there is a parallel in the abuse with regard to questions put and answers given that is just as serious.

• (9:30 p.m.)

Here again I make the point that much of the argument, much of the illegality, if you want, of questions is occasioned by the kind of answers given. Usually you get what tends toward a debate, particularly with supplementaries when you get smart-Aleck or terribly evasive answers, or answers that are completely designed either for a laugh or, in a sense, to throw a punch back. There is no dividing or appraising of guilt in this regard, but again it is a question for the Speaker to decide and the Speaker to control.

I cannot think of a better way in this particular Parliament to restore to the question period that kind of edge that the hon. Member for Royal and the hon. Member for Winnipeg North, my colleague, were talking about than to call to order some Ministers and some senior Members of the Opposition when they do put questions which they extend with argument beyond what is permitted to other Members of the House. In other words, I think what is fair for some Members of the House should be fair to all other Members of the House.

There is one other point I want to make in connection with the question period. It has been made before and it relates to ministerial answers. Members will be able to hark back to a number of occasions when really exciting questions have been brewing in the House and its environs. I can think of two in particular. I think of the time when the whole question of Rivard and the Dorion inquiry was in embryo or developing. I also think back to the time that the Minister of Finance was having difficulties immediately after his first budget. As hon. Members will recall, the question period was very important in developing the issue, the conflict

and the response of the Government to the situation.

It is conceivable, of course, that such situations will develop again that will seem as crucial and as critical to the Opposition. With the half hour question period and the possibility of Government backbenchers asking questions and getting answers or Ministers being able to give long, prepared answers, it is quite obvious that Members of the Opposition could be left with a sense of tremendous frustration. It will take only a bit of masterminding on the part of the Government to reduce the effective question period on any occasion to a fairly small amount of time. Again, all I can suggest is that it will be the responsibility of the Speaker to recognize when this kind of prearranged defence mechanism created by the Government and its schemers is at work, and it will be then that the Speaker will have to come to the rescue of Members of the Opposition and the whole idea of the question period in the House of Commons.

I hope my friends on the Government side will not think that these remarks reveal too great a scepticism or suspicion with regard to their intentions. It seems to me that they would have the same feeling if they were on this side of the House, no matter what Government was in power. Since I have noticed the Acting Prime Minister and the President of the Privy Council nodding their heads at the idea of a review of the whole matter of questions, I wonder whether they would take a couple of minutes to tell us just what they have in mind in order to carry this particular point a bit further, and how quickly we may get to work on the whole business of correlating all the precedents of the past, and our present practices, into some kind of more simplified code that we could all honour much more easily than the present code with regard to questions.

Mr. McIlraith: Mr. Chairman, because of the short time to deal with the many rules remaining I will only touch on one or two aspects of the speech made by the hon. Member for Port Arthur. One that I want to pick out and deal with very quickly has to do with not only the oral question period, which certainly concerns me greatly, but with written questions both from the point of view of the length of time taken to get replies and the nature of the questions permitted to appear on the Order Paper. I have had occasion recently to look at an Order Paper with a former employee of the House, and to go over some of the changes over the years. I must say I was rather appalled when I looked critically at the form of written questions on the Order Paper.

Since that time I have had occasion to look at the time taken for replies to such questions. I noticed that some questions were put asking if the Government had done certain things when, if the Members had put their questions in a different form and had addressed them to a particular Minister, thus indicating one department, there would have been a great deal of time saved in providing the answers. All I want to point out is that the form of both oral and written questions and the time taken to get replies to written questions is a subject that I think needs attention.

The state of the law as to what is permissible is, I think, clear enough in the textbooks if you have the time to dig up the various rulings of Speakers over a great number of years. However, it is quite impractical for a Member to do that, and I think we should, among all parties, find some method of gathering together what are the proper criteria to be applied to the form of questions, what types of questions are permissible and possibly codifying our findings. Quite frankly I had not thought of doing that, but I am rather interested in the suggestion. It might be helpful to codify our findings in such a way that the code could be distributed to all Members and would also serve as a guide to the officials receiving questions because, without some apparent authority, it is very difficult for them to reject a question brought to them by an hon. Member. It is quite a responsibility for an employee to take, but I am quite interested in the idea of a code. Just in what way this subject should be followed up I am not prepared to say at the moment.

There is one other matter I might mention. I refer to the remarks of the hon. Member for Royal a few minutes ago when he spoke about the abnormal demand made on the Prime Minister to be here during the whole of the question period every day, inasmuch as the interests of the House and of all hon. Members opposite would probably be equally well served if he were available at better designated periods. This is an idea that I think is deserving of attention in due course. I think I will conclude my remarks at this point. I should like to dwell on the subject at greater length but will refrain from doing so.

[Mr. Fisher.]

• (9:40 p.m.)

Mr. Pickersgill: Mr. Chairman, I think I ought to make a sort of confession to the House. Perhaps what I did was wrong, but it could be changed. When we formed the Government and I was chosen House Leader, I had been very irritated while I was in the Opposition by the great many questions which were, quite properly according to the rules, made orders for returns because they affected two departments. It was quite clear the Members who put the questions on the Order Paper wanted to have them printed in *Hansard*. I suggested to my colleagues that, by reason of leaving them on the Order Paper longer, we should try to get the information gathered together, so instead of their being made orders for return and the answers never being printed, the answers would be printed in *Hansard*. I am therefore to some degree to blame for the fact that some of these questions have stayed on the Order Paper so long. If it would suit hon. Members better to have them made orders for returns and taken off the order paper, it would cause less criticism for the Government, but I do not really believe it would serve the purposes Members have in putting the questions on the Order Paper.

I do agree with what my colleague says about trying to direct a question to one department, and another one to another Minister, and thus the two questions would get more effective answers. No one likes to have someone coming to the House later and saying one department has been overlooked. Once you phrase a question, is the Government doing so and so, there is a tremendous search goes on and in many cases this is a waste of the taxpayers' money to no purpose whatever.

Mr. Starr: I was very much taken with the argument, but if that argument is factual why is it that we look at question No. 43 and find it has been standing since April 6, which is about nine weeks. It could have been answered in 15 minutes, and yet it is unanswered in nine weeks.

Mr. Chatterton: I was interested in the comment of the President of the Privy Council that the problem of oral questions and questions on the Order Paper might be considered. I put this suggestion forward briefly. The reduction in time for oral questions is on a trial basis. If that proposal is successful or acceptable, it will depend upon the extent to which backbenchers feel their questions are being answered. In the interest of keeping the oral question period short, may I suggest to the President of the Privy Council that questions placed on the Order Paper should be answered within a certain period of time, and after the expiry of that time the appropriate Minister would either give the answer or give an explanation to the House for the cause of the delay. I know that in many cases questions require lengthy periods for answers to be obtained. If a Minister were required, after a period of seven or ten days, to give an answer or else an explanation, this would satisfy the Member putting forward the question. If such a practice were followed, questions which would normally be put during the oral question period would be put on the Order Paper, thus reserving the oral question period for more appropriate questions.

Mr. Douglas: In order to save time, Mr. Chairman, I wonder if I might make a suggestion now to the President of the Privy Council? I recognize we are not going to be able to cover the whole field in the time we have left. If I remember correctly, one of the recommendations of the Speaker's Committee last year was that we might set up a Standing Committee on Procedure to discuss some of these matters we have been discussing tonight, such as trying to work out some equitable arrangement on the question period and the matter we were discussing yesterday concerning some technique for written appeals of Speakers' rulings, for the purposes of establishing a precedent rather than dealing with the immediate matter before the House. Both these items could be referred to such a Standing Committee if it were set up.

I wonder if the President of the Privy Council, between now and the time this matter is going to be wound up tomorrow, might consider providing in paragraph 10 that a Standing Committee on Procedure be established. If the House is going to be asked, after this trial period ends at the end of the next session, to review these changes it would seem useful to have a Standing Committee which had been studying the whole matter of the extent to which these new rules have been satisfactory to all concerned. Then if these new rules were brought up for ratification or amendment, we would have some concrete proposals to place before the House. I believe such a Standing Committee might well be set up and could have plenty to employ itself with in the next year.

Mr. Fairweather: Is it the intention of the Government to set up such a Committee? If it is not a Standing Committee, will the Committee on Procedure and Organization be reconstituted in the next few months?

Mr. McIlraith: I do not want to give a categorical answer at the moment. I will take under consideration the suggestion that there be a Standing Committee. One of the difficulties of the last Committee on Procedure, when you consider the matter of answers to written questions which we have been discussing, was that there was no Minister on it from the Government side, no person who had Ministerial experience. I prefer to leave the question asked by the hon. Member for Burnaby-Coquitlam unanswered at the moment, and I will take it into consideration.

Mr. Douglas: I might just offer the Minister an alternative. If he feels there are obstacles, which I cannot think about at the moment, to making it a Standing Committee I think we would be prepared to settle for an undertaking that the Government would set up again the Committee we had last year.

Mr. McIlraith: I must correct myself. I said a moment ago there was no Ministerial representation from the Government side on that Committee. There was the Minister of Labour, who was the Government representative. I regret my inadvertence. I do not want to give a commitment that a Committee will be set up in the form it was last year. I want to consider the matter. We may have some kind of party conference about it, but I am not prepared at the moment to give a commitment as to how we should approach it. I am prepared to say that I will follow it up.

Mr. Knowles: I have one question, Mr. Chairman. Does the Minister recall that the Prime Minister, when he introduced these rule changes, suggested that one of the reasons it was possible to bring forward changes of this kind was that there had been a Committee of the House studying the matter for a couple of years. Does that not lend weight to the point made by the hon. Member for Burnaby-Coquitlam? In view of the importance of the changes we are now making, would it not be a good idea to have a Committee continuously studying the subject?

Mr. McIlraith: Yes, I am aware the Prime Minister said that. I am aware also of where the suggestion that he say this came from.

Mr. Scott: I have a short amendment upon which I wanted to test the Committee.

[Mr. Douglas.]

The Chairman: Order, please; there is an amendment before the Committee at the moment.

• (9:50 p.m.)

Mr. Scott: I am sorry; I should have said subamendment. It seems to me, Mr. Chairman the effect of the half hour question period is really going to be that the private Member is virtually going to be cut out of that period. It seems to me this will follow almost automatically because of the practice of recognizing the senior Members of the House during the question period. I am not sure we can particularly complain, as that practice has been followed for some time; but the net effect of this will be that private Members from now on will have virtually no part at all in the question period, because in the half hour there will not be enough time for them to participate, due to supplementaries, etc., from the front benches.

We recognize the need to shorten the question period, but the hon. Member for Royal hit it on the head when he said shortening the time will not improve its quality. In fairness to private Members, they should have at least one opportunity a week to participate in the question period and for that reason I suggest to the Government House Leader that the question period on Mondays, at least, be without time limit. It may be private Members will not take advantage of the opportunity but it will be there for them if they wish to avail themselves of it.

Therefore I propose that the amendment be amended by deleting the words, "exceed one hour" and substituting therefor "be so limited." This may sound confusing but on reading the amendment it can be seen it ends with the words shall not exceed one hour.

The Chairman: Is the committee ready for the question?

Amendment to the amendment (Mr. Scott) negatived: yeas 37; nays 41.

The Chairman: I declare the amendment lost.

Amendment (Mr. McIlraith) agreed to.

The Chairman: Does this conclude the discussion on clause 5?

Some hon. Members: Agreed.

Mr. Cowan: Mr. Chairman, in considering clause 6 of the resolution I would like to make some comments with regard to questions of privilege, inasmuch as direct reference was made to me on Tuesday during

discussion of the rules, regulations and procedures of the House.

I had not intended to take any part in the discussion on the proposed rule changes, as I am quite satisfied with their content and import, but I take my cue from the Prime Minister who, speaking in the House on Tuesday last, said he was speaking on an amendment to the resolution before the House and pointed out it gave him an opportunity to speak, and so dwell at some length on matters not strictly within the ambit of the amendment.

This clause of the resolution will undoubtedly limit the raising of questions of privilege in future, and remembering what the hon. Member for Saint John-Albert said this afternoon when he stated he was asking a question because hereafter the time might be cut so short that he would not be able to, I am rising on a question of privilege as the opportunity to do so will be somewhat curtailed by clause 6, with which I am in hearty accord.

On May 28 I asked a question in the House, and in it I stated a personal conviction. I asked the Minister of Justice if his department or the Cabinet:

—have ever given consideration to making it illegal for mass communication media to mention names of accused before they are convicted. Personally I do not believe they should be mentioned by name until a conviction has been registered.

I asked the Minister had any consideration been given to such fair treatment, and in his reply, a very sane and solid reply, the Minister remarked:

I must say, Mr. Speaker, that this...is one of the questions which I have under very serious consideration.

Immediately some people rose in the House and began to pillory the Minister as though this were a terrible statement for him to make, and the press of the country immediately picked it up and started to scream that the freedom of the press was being invaded—call out the army, call out the navy, call out the air force—freedom of the press was being attacked.

The Minister had given a straightforward answer and went on to say:

—there is also such a thing as respect for the freedom of the individual and in the case of juveniles the regulation already exists in the Criminal Code that their names must not be disclosed in the papers. Surely this is not an interference with the freedom of the press.

On Tuesday last the hon. Member for Prince Albert, who gave a worth-while speech with regard to the function of parliament and its effectiveness, took occasion to wander afield and made direct reference to the suggestion I had made in the course of my question. At one point he said, and I quote from page 2106:

All over this country a howl went up. I was shocked by the suggestion.

Mr. Chairman, I would like to emphasize that I was not sent here by the electors of York-Humber in order not to shock the hon. Member for Prince Albert.

May I call it ten o'clock?

Mr. McIlraith: Before it is called ten o'clock I wonder if I might put on record the amendments to the various clauses?

Some hon. Members: Agreed.

Mr. McIlraith: I move that section 2—

Mr. Churchill: You mean you intend to move the amendments now?

The Chairman: Order. Is the Minister simply reading the amendments for the purpose of the record at this time?

Mr. McIlraith: My understanding is that technically they could all be moved because it is only one resolution. I thought it would be desirable if Members had them all, but if I merely read them they will not appear in *Votes and Proceedings* tomorrow.

Mr. Knowles: Amendments made in committee do not go in *Votes and Proceedings* anyway.

Mr. Churchill: Put them in *Hansard.*

• (10:00 p.m.)

Mr. McIlraith: Yes; but I do not want to recede from the position, which is the correct one, that there is one resolution before the Committee at this time, and we agreed to discuss it paragraph by paragraph and have proceeded in that way. I think that was the reasonable, correct and satisfactory way for the House to deal with this resolution.

Mr. Knowles: Mr. Chairman, I do not think anyone is arguing about the point the President of the Privy Council is now making. But is it not a fact that if he has two, three or four amendments to make, they may be all amendments to one resolution but he cannot move them all at once? He has to move one amendment, get it carried and then move another. That is the reason I suggest he simply read them.

Mr. McIlraith: Mr. Chairman, I can put them all into one amendment quite easily,

although they deal with different Standing Orders. I will do it either way.

Some hon. Members: Let us do it.

Mr. Pickersgill: We could put them in tonight so they will be printed in *Votes and Proceedings* tomorrow.

Mr. Peters: Mr. Chairman, I would suggest that the only ones applicable are those that refer to this paragraph.

Mr. McIlraith: Since we are on paragraph 6 I will read the proposed amendment, if that will be more pleasing to Members opposite; but I would point out that they all come in answer to requests from Members opposite:

That Section (2) of the proposed Standing Order 43 be amended to read as follows:

"When the debate on any motion under Standing Order 15, Section (2) is adjourned or interrupted the Order for resumption of the same shall be transferred to and considered as the first Order under Government Orders."

and in consequence of that proposal:

That Section (2) of Standing Order 18 be amended to read as follows:

"Except as provided in Standing Orders 43 and 56, Government Orders may be called in such sequence as the Government may think fit".

And the following:

That Section (1) of the proposed Standing Order 65 be amended by striking out the words "with all convenient speed", and substituting therefor the words "within ten sitting days after its appointment", and by striking out the number "22" where it appears therein and substituting therefor the number "24".

And a new Standing Order 68A:

In any standing or special committee of the House questions of order shall be decided by the chairman, subject only to an appeal to the committee.

And also:

That the amendments to Standing Orders made by this Resolution be continued in effect until the end of the next ensuing session unless this House otherwise orders.

Progress reported.

BUSINESS OF THE HOUSE

Mr. McIlraith: Mr. Speaker, tomorrow we will consider the report of the special committee dealing with the procedures of the House. When that is completed we will continue with the business we have been discussing today, and when that is completed we will deal with the banking legislation, and then the budget resolutions.

Mr. Starr: You spoiled your whole speech by the last few words.

[Mr. McIlraith.]

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the House under Provisional Standing Order 39A deemed to have been moved.

CANADIAN BROADCASTING CORPORATION—REQUEST FOR BETTER FACILITIES IN VANCOUVER

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, the question I wish to bring to the attention of the House and the Government is the continuing problem of the television and radio facilities of the Canadian Broadcasting Corporation at Vancouver. For many years the television production centre at Vancouver has been in a former garage, a building formerly used by an automobile dealer. It has been there since T.V. productions started in Vancouver in 1953.

"Barn-like", "cramped", "inadequate", "inefficient"—these are all adjectives which can be used to describe the C.B.C. television centre in Vancouver. Next to Toronto and Montreal, Vancouver is the principal production centre of the C.B.C. Year after year the local staff have worked in very cramped conditions, but in spite of this they have turned out some fairly good productions. One has only to think of the plays which come from Vancouver, particularly the Cariboo series last year or a variety program such as "Some of Those Days", to realize that they do turn out good programs, in spite of the fact that they have been working under the most trying conditions for many years.

The C.B.C. radio facilities in Vancouver are located in the Hotel Vancouver, but the premises are on a month to month basis and it is understood that they will have to leave the building before very long. Again, there have been some very high quality radio productions out of Vancouver.

I think it is disgraceful that neither the present Government nor the previous one authorized the C.B.C. to spend the capital for a new production centre in Vancouver. Over $100 million has been authorized for new centres in Montreal and Toronto—about $105 million altogether. There was an opportunity for the C.B.C. to acquire improved buildings on the West Coast. This was when the decision was made to close the former R.C.A.F. station at Kitsilano Park in Vancouver. A certain amount of land and some existing buildings were available. This would not have been as good as a new centre but

would certainly be infinitely superior to the present antiquated building which the Corporation has to use for its centre of operations.

It would have been quite possible to have given the City of Vancouver most of the site for park purposes and have retained a small part of the site for the C.B.C. However, after many months of negotiation—and these negotiations have been going on now for about 15 months—the Government has agreed to transfer the entire site to the City of Vancouver, without reservation. It is true that the government had hoped that the city would negotiate an agreement with the C.B.C. for the use by the Corporation of some of the buildings and part of the land. But just recently the majority of the City of Vancouver Council voted against this particular proposal. I maintain that the Government has a responsibility to ensure that the C.B.C. in Vancouver obtains better quarters.

There has been a constant movement of actors, directors and producers from Vancouver to Toronto. A very large number of the most talented people at C.B.C. Toronto came from Vancouver. I believe that if there were more opportunities for them on the West Coast, we could retain many of them there and further improve the type of production coming from Vancouver. More budget for production is part of the problem, and I have raised this in the House before. Better production and building facilities are also part of the answer. I agree that ideally the Kitsilano Park site should be used for park and recreational purposes and the C.B.C. should have a completely new building. I admit that putting the C.B.C. into Kitsilano is a second-best solution.

As I said before, the Corporation does need in Vancouver for its regional B.C. headquarters and for production purposes a new building. I would suggest that if no agreement is reached with the City of Vancouver the Government has a responsibility to provide such quarters elsewhere, perhaps a building unit which could house both the C.B.C. and a west coast unit of the National Film Board. I believe there is consideration being given to the possibility of establishing in Vancouver a unit of the National Film Board.

In this connection the Government and the C.B.C. should bear in mind the offer made by the Reeve of Burnaby to the C.B.C. of land for a broadcasting complex at Burnaby. This site is not far removed from the centre of population. It is near all the main highways and roads serving the population, and indeed the private television station in that area is further from the centre of the City of Vancouver than the site proposed by Burnaby. There is no particular reason why the C.B.C. should be in downtown Vancouver. But wherever it may locate, the Government has a responsibility to make sure that the C.B.C. has new quarters soon if the negotiations with the City of Vancouver fail.

• (10.10 p.m.)

There have been repeated reports during the past week that the majority of the city council is firmly opposed to the C.B.C. obtaining part of Kitsilano Park.

Mr. J. B. Stewart (Parliamentary Secretary to Secretary of State): When the hon. Member referred to this matter on June 3 he spoke in the indicative mood. He stated that a majority on the Vancouver City Council had voted against allowing the C.B.C. to occupy part of the Kitsilano site and went on to ask a question based on this supposed fact.

Tonight he has based his comments—it was hardly a question—on a much more hypothetical approach to the matter. We find the word "if" appearing in at least two places in what he says. I think he now realizes that the city council has not come to a final conclusion. My understanding is that the C.B.C. will be making representations to the council shortly in connection with this matter.

Until the city council has concluded its examination of the subject and has communicated its decision, any action based on an assumption concerning that decision would clearly be premature. I think I should reassure the hon. Member by telling him that the hon. Member for Vancouver-Burrard is constantly interested in this very question.

PARLIAMENT HILL—PROVISION FOR PARKING FOR TOURIST BUSES

Mr. Lloyd Francis (Carleton): I should like to call the attention of the Minister of Public Works to a local crisis which has developed on Parliament Hill itself.

Each year, as we have all observed, the numbers of school children tourists, and others who come to visit Ottawa and Parliament Hill, is increasing at a rapid rate. When they come by chartered bus they get off the bus in front of the centre door and at that point it has unfortunately, this season, become necessary for the buses to be in-

structed to leave Parliament Hill itself. There simply is not room enough to park them here while the school children and other visitors watch the proceedings of Parliament and inspect the beautiful facilities which are part of our national heritage.

This is most unfortunate because it has a number of consequences which I should like to outline to the Minister and to the Parliamentary Secretary concerned. In the first place, some of the buses have stopped temporarily; they have gone on the grass. Last week when a driver was out of his bus one of them ran down and crashed into four cars which were parked. I do not know for which I have most sympathy. I sometimes think it would be to the credit of all of us if there were fewer cars parked on the Hill. But I do think a procedure by which these drivers are obliged to circulate in the streets of Ottawa while their passengers are visiting the Hill is a most unsatisfactory state of affairs. It has discouraged tourists and it creates a problem in the city.

Some of these buses used to park on the parking lot of one of the bus companies here, a company which operates our only major bus station. But they came in such numbers that they encumbered the operation of the station itself and the company was reluctantly obliged to ask them to park elsewhere.

I believe a solution is to be found in two suggestions. The first is of a temporary nature and I have put my idea in writing for the Minister of Public Works to see, namely that the site of the former Laurentian Terrace on Sussex Street be used as a temporary parking lot. This structure has been torn down and no reconstruction has taken place on the site. I see no reason to prevent buses parking on that site at least for the balance of the present season.

I should like to see the Government of Canada go to the expense of installing a telephone at that point so that bus drivers could telephone the constables in charge of tourists on Parliament Hill and inquire whether a particular party they had brought here had finished its tour. Then they would be able to return to the Hill at the appropriate time, pick up their passengers and leave.

For the longer period, Mr. Speaker, I would hope that the plans for a parking garage to take all the automobiles and buses off Parliament Hill could be proceeded with. I know that the former Minister of Public Works, the hon. Member for Maisonneuve-Rosemont (Mr. Deschatelets), had plans for a large parking garage at the rear of Parliament Hill on the edge of the Ottawa River. Such a parking garage could have been built in different stages. It could have been concealed very nicely within the cliff of Parliament Hill and it would have served a very good purpose in taking off the Hill some of the cars that now clutter the area in such vast numbers, thus changing Parliament Hill from what it is now, unfortunately, a glorified parking lot. I think this would be consistent with the purpose that the Canadian people would like to see served by the symbols which our Parliament Buildings and Parliament Hill represent to school children from coast to coast across Canada, a symbol of our sovereignty, a symbol of our nationhood, the place where our national government is conducted, a place which they could visit proudly but without inconvenience. I submit that the inconvenience now being suffered discourages the visit to Parliament that all school children in this country hope to make and which we hope they will be able to make.

[Mr. Francis.]

Mr. G. Roy McWilliam (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, I am sure all Members appreciate the remarks of the hon. Member for Carleton (Mr. Francis), particularly as they apply to those young students across Canada who are fortunate enough to be able to come to the capital, tour Parliament Hill and see Parliament at work.

When the hon. Member raised this question this afternoon I immediately made some inquiries as to where the responsibility actually lies with regard to parking on Parliament Hill. In the intervening time I was not able to get a concise statement as to exactly who is responsible for parking on Parliament Hill. I agree wiith the hon. Member that there are plans in the department for underground parking to get rid of the mess, if I may call it that, on Parliament Hill.

In late years the custom has been that parking permits are issued by the Sergeant-at-Arms under the jurisdiction of Mr. Speaker, and I am told that any ban on the parking of buses or other vehicles is issued by the Royal Canadian Mounted Police. I am fairly sure that in most cases the Department of Public Works does not know anything about such bans unless they are brought to its attention.

As I said, we are very much interested in the situation. I am sure everybody is anxious

to see it cleared up. The hon. Member's remarks will be carefully noted, I am sure, by those who hold responsibility and jurisdiction in this matter, and I assure the hon. Member that his remarks will be brought to the attention of the Minister of Public Works (Mr. Cardin). I trust that favourable action will be taken.

• (10:20 p.m.)

LABOUR RELATIONS—HAL BANKS—DEPOSIT IN MONTREAL BANK TO COVER WAGES OF S.I.U. SEAMEN

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to deal briefly with questions I raised in the House, in relation to which I later found it necessary to take advantage of this fortunate period. My first question was:

> Has the Minister any knowledge of an agreement between Harold Chamberlain Banks and the Government of Cuba for the deposit in trust in a Montreal bank of $400,000 to cover the cost of the wages of S.I.U. seamen that were intended to be employed on the ships purchased by the Government of Cuba from Canadian National Steamships?
>
> Has the Minister any knowledge of negotiations being undertaken at the present time between the officers of the S.I.U. and the representatives of the Government of Cuba for the return of this money to the Government of Cuba on the understanding that $75,000 will be paid to the S.I.U. or Harold Chamberlain Banks?

Then, I followed that up with this question:

> I wish to direct a question to the Acting Secretary of State for External Affairs. Would the Minister inform the House whether in his opinion the powers of the trustees of the Maritime Transportation Unions permit those trustees to approve any financial arrangement or agreement between the Seafarers International Union and a foreign power? Does the Minister consider this to be a correct constitutional procedure?

I brought these matters to the attention of the House as the result of correspondence from the members of the union and as a result of meeting members of some locals of the union. Now, I am informed, Mr. Speaker, that the motive power, as it were, behind this deal is Mr. Paul Hall. I am interested also that this is in the nature of a Kootenay evening in the House, both for and against. In view of what has been said about these gentlemen a good many of the union members and other persons are very suspicious as to what is going on in this respect. Dr. Harry S. Crowe said at one time when he was research director of the C.B.R.T. and General Workers Union:

> The Seafarers International Union of North America and its President, Paul Hall, are every bit as undesirable as the Seafarers International Union of Canada, and its President, Hal Banks.

Then, I have a very interesting statement from Mr. Millard, who seems to have changed his tune in recent days. This is what Mr. Millard had to say on one occasion:

> Though I too am a Canadian and trade unionist, I do believe in industrial and international trade unionism and, therefore, deplore the cynical and irresponsible actions of men like Paul Hall and Hal C. Banks—they undermine the good name of unionism and defraud hard working and trusting workers. Thank goodness they are the exception and not the rule and I still believe that right will prevail. Some day we may be able to tell you what we are doing to activize the good elements in the U.S.A.-Canadian Trade Union movement.

Mr. Millard made the statement at the time he was a trustee of the Maritime Union. I am reliably informed that Mr. Paul Hall is the booming spirit behind this deal that is going on at the present time. Regardless of this statement, I have an official communiqué of a statement by Mr. Millard, and I quote:

> I am pleased to report that discussions carried out between myself and Mr. Paul Hall, President, Seafarers International Union of North America have resulted in a number of basically important conclusions which hold promise for stability in the Great Lakes shipping industry.

Then, he goes on:

> The confidence in Mr. Hall and the S.I.U. International demonstrated by the trusteeship in seeking these meetings has been amply justified.

I do want the Members of the House to compare that statement with the previous statement by Mr. Millard. Later on, he goes on to mention the question of the power of the trustees. Then I read from the official communiqué issued by the trustees on March 11 last:

> Canada's five maritime unions under trusteeship were told today no collective agreement is to be put before union membership prior to receiving approval by the Board of Trustees of the Maritime Transportation Unions.
>
> A directive to this effect was issued over the signature of Board Chairman Mr. Justice Victor L. Dryer and Trustees Judge René Lippé and Charles H. Millard.
>
> An earlier directive stipulated in broad terms that "no agreement is to be finally concluded and signed before being approved by the trustees."

I have had some consultation with persons who know something about this question and my first query is, have the trustees any power under the Act passed by this Parliament to approve an agreement with a foreign power? Second, we want to know why there was this change in attitude. Why has Mr. Paul Hall suddenly become such a responsible person after the trustees indicated the type of person they thought he was?

The affidavits taken by employees of the maritime trustees, affidavits taken by members of the S.I.U. and affidavits taken by those

who are directly concerned with this matter clearly indicate it is time the Standing Committee on Industrial Relations was established, that the trustees were called before it, and the employees of the trustees, plus the officers of the union and members of the union.

I look forward to the explanation to be given by my colleague from Kootenay East, and I might say I have no malice against him whatever, as I trust he is going to give me a very satisfactory answer.

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Labour): Mr. Speaker, since we have the House almost to ourselves perhaps I may speak practically intimately to my hon. friend. I fear that the hon. Member for Kootenay West (Mr. Herridge) is possessed of an obsession with regard to the activities of Hal Banks.

In the interests of justice I, too, hope Mr. Banks will sooner or later be made to pay his debt to society. But even more important, I feel this obsession of the hon. Member must be removed so that when he retires to the sandy beaches of the great Arrow Lakes and reclines there on the sand, he will not see an apparition of Mr. Banks in the window of every cabin cruiser that passes his palatial residence on that beautiful lake shore.

In respect of the hon. Member's concern that Hal Banks is going to receive an additional $75,000, I have been supplied with information by the Chairman of the Trustees as follows.

In order to prevent harassment the Cuban government undertook by a negotiated and signed agreement some years ago to man certain ships it had recently purchased from the struck Canadian National Steamships (West Indies) Company with members of the S.I.U., for a period of at least two years after re-activation of the ships. Everyone knows that to date none of these ships have been re-activated. As an indication of good faith the representatives of the Cuban government are said to have posted a bond of $400,000, a sufficient amount to pay the wages of the S.I.U. seamen for the stipulated period.

Last fall Cuban representatives approached Mr. McLaughlin of the S.I.U. in connection with the manning of only two of these ships, which had been laid up on the East Coast. The Cubans proposed a deal for annulment—I emphasize annulment—of the agreement, for which they would pay $75,000 to the S.I.U. of Canada. It therefore follows that any moneys paid for the revocation of this agreement will become the asset of the S.I.U. of Canada, and the trustees will exercise their powers pursuant to section 13 of the Maritime Transportation Unions Trustees Act.

In the light of these facts I think I can assure the hon. Member it is highly unlikely that any portion of such funds, if they do become available, will get into the hands of one Harold Chamberlain Banks. There was no indication that Mr. Paul Hall was implicated in these negotiations.

Motion agreed to and the House adjourned at 10.32 p.m.

HOUSE OF COMMONS

Friday, June 11, 1965

The House met at 11 a.m.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PRIME MINISTER OF INDIA

Mr. Speaker: Today this House is signally honoured by the presence in the Speaker's Gallery of Lal Bahadur Shastri, Prime Minister of India.

Some hon. Members: Hear, hear.

Mr. Speaker: This is the first visit to Canada by Prime Minister Shastri, who is such a worthy successor to the late and beloved Prime Minister Nehru. We welcome him as a fellow parliamentarian and as the elected leader of the world's largest democracy.

The Prime Minister of our great Commonwealth partner is a man of the people, a man of peace. At the early age of 16 he became a follower of Mahatma Ghandi and played a courageous part in the struggle for national freedom. Since then he has been a leading figure in India's constructive and successful quest for self determination and has served his people with integrity, competence and humility. The election of Lal Bahadur to the highest office within the gift of his people demonstrates very strikingly the effectiveness of the democratic process in India.

Relations between India and Canada have always been close and cordial. We have very much in common. We are both countries that stretch from sea to sea. It was in the search for a short route to India that our country was first discovered, and our original inhabitants still carry the honoured name of Indians. On the world scene, as fellow members of the Commonwealth of Nations we have worked together and have shared the same aspirations for a world at peace. In the management of our own affairs we have each followed the parliamentary process as common inheritors of the British tradition of democracy.

Today in Canada we are striving to meet and master problems of national unity that are the product of 400 short years in which men and women of two languages and two cultures have lived side by side. Surely we can take heart from the example of India—a multilingual, multiracial society, an amalgam of many religions and cultures, with a history extending over so many centuries. Her very substantial accomplishments, in the face of so many hardships, are surely an example to all the world.

We welcome you, Sir. We honour you as the leader of a great and historic nation whose future progress will be a major determinant in the ultimate survival of democracy and peace among the nations of the world.

PROCEDURE

FIRST REPORT OF SPECIAL COMMITTEE

Hon. G. J. McIlraith (President of the Privy Council): Mr. Speaker, I have the honour to present the first report of the special committee on procedures of the House of Commons. Copies are available in English and French for all hon. Members. I intend, in accordance with the agreement of last Tuesday, to move concurrence in the report later this day.

Before motions are called, Mr. Speaker, since the motion I will make will be for concurrence in the report I wonder whether it would be agreeable to the House to proceed with routine proceedings and oral questions in the usual way, with the understanding that the House would grant permission to revert to motions after the oral question period in order that the question period will not be lost.

Some hon. Members: Agreed.

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

SOCIAL INSURANCE

ANNOUNCEMENT OF CHANGE IN FORM AND STYLE OF CARD

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, in accordance with a commitment I gave the Leader of the Opposition some days ago I wish to advise the House of certain decisions which have been made about the future use and form of the social insurance number card.

It will be recalled that this card was first issued last year in connection with unemployment insurance, and was designed to provide the same numbering system for the

Canada Pension Plan. Some Provincial Governments have expressed an interest in the possible use of the same numbers and cards in connection with other programs. This clearly would be a considerable convenience to the public. It means, however, that the card should be one suitable for use in connection with programs under the authority of Provincial as well as Federal legislation. It also makes the durability of the card even more important. The Government therefore intends to introduce a plastic card.

Second, in order to provide a national symbol equally appropriate for programs under either Federal or Provincial jurisdiction, the card has been redesigned with a maple leaf superimposed by the word "Canada" in place of the coat of arms which is a distinctively Federal symbol and therefore not the most suitable for Provincial use. The card in this new form will be suitable for many possible uses besides the most urgent one which, of course, is for both Federal and Provincial pension plans.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, this is a rather interesting disclosure finally forced out of the Minister of Labour by questions on orders of the day by the Leader of the Opposition over the last week. He has now given us a very weak excuse for removing from the social security card the coat of arms—

Some hon. Members: Shame.

Mr. Churchill: —which of all symbols is surely the most distinctive of the national unity of this country. For the Minister to tell us shamefacedly that this is not suitable because of Provincial attitudes will not go down with the public at all. I think it is a disgrace that this Government should continue its whittling away of our history and traditions. We now see a continuation of their program of destruction of our history and traditions. The removal of the coat of arms from the social security card is the first step, I suppose, in the removal of the coat of arms from all other places where it is displayed in Canada. Will the next step be the removal of the coat of arms from this building? This is a disgraceful announcement by the Minister of Labour.

[*Later:*]

Hon. Michael Starr (Ontario): I wish to direct a question to the Minister of Labour. It is related to the announcement made this morning regarding social security cards. Can the Minister tell us which provinces requested the use of these federal security cards for provincial programs, and what programs those provinces have in mind?

Hon. A. J. MacEachen (Minister of Labour): The two Provinces which occur to me immediately in this connection are the Provinces of Quebec and Saskatchewan.

Mr. Starr: Can the Minister tell us what programs they have in mind for the use of these cards?

Mr. MacEachen: In Quebec, of course, the provincial pension plan is a program which will need a numbering system. The hon. Member can appreciate the confusion which would arise if two numbering systems were used by the same people for various programs. This is why we have produced a card which can be used with a single numbering system for both Federal and Provincial purposes, now and in the future.

Mr. Starr: What is the program in the other province?

Mr. MacEachen: I cannot tell the hon. gentleman what the program is, but I understand from the officials that the province of Saskatchewan has expressed an interest in using the card system, possibly for the medical insurance plan.

Mr. Jack McIntosh (Swift Current-Maple Creek): In view of the fact that the Minister's statement on these social security cards this morning is related to question No. 650 in my name on the order paper, I wonder whether the hon. gentleman could complete his answer and tell us whether the machinery and plates for these cards were imported from the United States and, if so, at what cost to the public.

Mr. MacEachen: In order to process these new plastic cards, which are very attractive in design, it is necessary to use additional machinery. I will answer the question as to the source of the machinery and the cost when the question is called.

Mr. A. D. Hales (Wellington South): Is the removal of the Canadian coat of arms from these social security cards to be the policy of this Government in the printing of future documents?

Mr. MacEachen: No. The reason for the change has been explained. It certainly does not imply any diminution in our respect for the Canadian coat of arms.

Some hon. Members: Oh, oh.

Hon. J. A. MacLean (Queens): I should like to ask the Minister of Labour a supplementary question. Is there any truth in the rumour that he or someone in his department held discussions with representatives of one or more provinces with the idea of having the social security numbers allotted by the vital statistics branches of the provinces when births are registered?

Mr. MacEachen: No, Mr. Speaker, I have had no discussion along these lines with any provincial people.

Mr. Heath Macquarrie (Queens): A supplementary question to the Minister of Labour. Did any provincial authorities suggest to the Minister that incorporation of the coat of arms would make these cards not suitable for joint purposes?

Mr. MacEachen: The answer of course, Mr. Speaker, is no. No objection has been expressed to me by provincial governments with respect to the Canadian coat of arms, but it was desirable to have a single numbering system and a general purpose card. Of course the Canadian coat of arms is a distinctively federal symbol and would not be appropriate for use on provincial programs, and that is the purpose of the change.

Mr. W. H. A. Thomas (Middlesex West): I should like to ask the Minister of Labour whether his description of these cards as general purpose cards will extend for numbering purposes to the military services?

Mr. MacEachen: No, Mr. Speaker.

WATER LEVELS

TABLING OF STATEMENT RESPECTING PORT OF MONTREAL

Hon. J. W. Pickersgill (Minister of Transport): I wonder if I might table a statement that is being issued today concerning low water levels at the port of Montreal, which I undertook to make available to the House before I spoke in the port of Montreal on Monday.

Some hon. Members: Agreed.

EDUCATION

STUDENT LOANS—TABLING OF STATEMENT AND REPORTS

Hon. Walter L. Gordon (Minister of Finance): I wish to table a statement relating to the Canada Student Loans Plan, together with three reports which have been adopted by Federal and Provincial representatives dealing with the administration of the program. In view of the widespread interest in this plan, particularly among the many students who have a vital interest in this matter, I would ask leave of the House to have the statement and reports printed as an appendix to today's *Hansard*.

Some hon. Members: Agreed.

[*Editor's note: For text of documents referred to above, see appendix "A".*]

CRIMINAL CODE

AMENDMENT PROVIDING COMPULSORY BREATHALIZER TESTS

Mr. Barry Mather (New Westminster) moved for leave to introduce Bill No. C-115, to amend the Criminal Code (impaired driving).

Some hon. Members: Explain.

Mr. Mather: Mr. Speaker, the purpose of this Bill is to reduce the death and accident toll taken by traffic. It would seek to do this by enacting legislation to control the impaired driver. Statistics show that in recent years one third of the road accidents in Canada involve persons who have been drinking. The Bill which I put forward incorporates proposals made by the Canadian Medical Association, the Canadian Bar Association and the Canadian Highway Safety Council. Specifically it would amend the Criminal Code to make compulsory breathalizer tests for determining blood alcohol levels.

Motion agreed to and bill read the first time.

HOUSE OF COMMONS

ATTENDANCE BY MR. SPEAKER AT CEREMONIES OVERSEAS

Mr. Speaker: If I may have the attention of the House for just a moment I should like to make a short statement.

I am sure this House will be interested to know that I have accepted an invitation from the Speaker of the British House of Commons to attend, in London, a conference of Speakers from the 21 member nations of the Commonwealth. Following that conference I have been asked to participate in a ceremony at Westminster to mark the 700th anniversary of the Parliament of Simon de Montfort and the 750th anniversary of Magna Carta.

I propose as well to journey to Geneva for discussions with Mr. André de Blonay, Secretary-General of the Inter-Parliamentary

Bureau, concerning the annual meeting of the Inter-Parliamentary Union to be held in Ottawa in September of this year.

I plan also to make a brief visit to Paris to discuss with M. Chaban-Delmas, President of the French National Assembly, ways and means of strengthening the links between Parliamentarians of our two countries. I expect to return to Ottawa the week end of June 25.

During my absence, with the leave of the House, the Deputy Speaker, the hon. Member for Stormont, would occupy the Chair. I ask leave of the House to engage in the service of the House overseas.

Some hon. Members: Agreed.

AIR TRANSPORT

REPORTED OFFER TO BUY AIR CANADA AND C.P.A.

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): I would like to direct a question to the Minister of Transport. It is reported that a group of Canadian businessmen, headed by prominent western industrialists, made a firm offer to purchase Air Canada, and also made the same offer to purchase C.P.A., and that this offer was turned down by the Cabinet. Would the Minister care to comment on that?

Hon. J. W. Pickersgill (Minister of Transport): There is no truth whatever in that story.

Mr. Woolliams: I might say to the Minister that it was reported in several good Liberal newspapers.

DEFENCE PRODUCTION

SURVEY SHIPS—REQUESTED CHANGE IN TENDERING PROCEDURE

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, on June 1 the Prime Minister said the Government was giving consideration to whether it would continue its policy of calling for regional bids for ships being purchased by the Government. In view of the fact that the Government is ordering three ships on the Pacific coast the outcome of the Government's deliberations in this regard is of great importance to those employed in the shipbuilding industry. Is the Prime Minister ready yet to announce the outcome of this consideration?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker, but I hope there will be an announcement very shortly and that it will be satisfactory to all concerned.

[Mr. Speaker.]

SOCIAL INSURANCE

PROSECUTIONS RESPECTING FAILURE TO OBTAIN NUMBERS

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, may I direct a question to the Minister of Labour. Several times in recent weeks I have asked him whether companies other than the publishers of *Canada Month* are being prosecuted as a result of refusing to force their employees to take out social insurance numbers. Are other companies or organizations, such as teachers organizations, refusing to force their members to take out these numbers?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, my information is that the only prosecution is the one referred to by my hon. friend, under the provisions of the Unemployment Insurance Act. In connection with the teachers I understand that encouragement is being given by the officers of the Canadian Teachers Federation that its members secure social insurance numbers. Originally a protest had arisen from the fact that teachers were not covered by unemployment insurance and therefore were not obligated to register; but now, in view of the passing of the Canada Pension Plan, in which statutory authority is laid down for future registration, the teachers associations are encouraging their members to register.

Mr. Thompson: As a supplementary question, does the Government intend to prosecute other companies that are also refusing to force their employees to take out social insurance numbers?

Mr. MacEachen: Mr. Speaker, the prosecution is on the grounds of failure to comply with the law as established for 20 years under the Unemployment Insurance Act. If there are further infractions of the law, then consideration will be given to further prosecutions.

ROYAL CANADIAN MOUNTED POLICE

QUEBEC CITY—SECURITY REPORTS IN ENGLISH ONLY

On the orders of the day:

[*Translation*]

Mr. Robert Beaulé (Quebec East): Mr. Speaker, I should like to direct a question to the Minister of Justice.

Could he tell the house whether the report forms used by the R.C.M.P. are bilingual?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I should like to take this question as notice.

Mr. Beaulé: Mr. Speaker, I have a supplementary question.

I rise on a point of order. The minister said yesterday that officers may use either official language. He must have known then whether the forms are bilingual or not.

Mr. Favreau: Mr. Speaker, I said yesterday that verbal instructions had been given to the effect that any complaint received should preferably be reported in the language it was made. However, it will be readily understood that as far as administrative matters are concerned, especially in the case of forms which may be used in any office in Canada, I could not say off the cuff how things are.

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I wish to ask a supplementary question.

Does the Minister of Justice intend to see to it that in the near future all those forms will be bilingual throughout the country, so that if a French Canadian in Western Canada or an English Canadian in the province of Quebec is involved there will be no discrimination of any kind?

Mr. Favreau: Mr. Speaker, every aspect of bilingualism within the R.C.M.P. has been under consideration for several months by the commissioner, some of his officers and myself. I already have on my desk reports on that matter. I will inform the house as soon as possible but it is obviously a rather complicated matter.

[*English*]

NATIONAL DEFENCE

INQUIRY AS TO PROCUREMENT OF NEW TACTICAL AIRCRAFT

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): My question is directed to the Minister of National Defence. The Minister has been telling us since March that he would be announcing in a few days a decision with regard to a replacement aircraft. Can he now tell us just when those few days will end, and whether the 60 days of decision have gone by the board?

Hon. Paul Hellyer (Minister of National Defence): I tried not to be too precise in my answer, being fully aware of the problems involved in reaching a decision on a matter as important as this. However, I do hope we shall be able to reach a decision within three or four weeks at the outside, now that most of the information we require is available.

HALIFAX—INQUIRY AS TO DISPOSITION OF MINESWEEPERS

On the orders of the day:

Mr. H. Russell MacEwan (Pictou): Mr. Speaker, I should like to ask the Minister of National Defence whether any decision has been reached yet with regard to the minesweepers at Halifax. Will they be placed in reserve or turned over to Crown Assets Disposal Corporation for sale?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, four will be declared surplus immediately, and in respect of the balance we are waiting for a further study that is being done by the Departmental staffs.

EXTERNAL AFFAIRS

VIET NAM—NEGOTIATIONS FOR SUSPENSION OF AIR STRIKES

On the orders of the day:

[*Translation*]

Hon. Paul Martineau (Pontiac-Témiscamingue): I should like to put a question to the Prime Minister.

Does he intend to open negotiations with President Johnson in order to prompt him to stop air raids over North Viet Nam as a prerequisite for negotiations or is he in a position to renew the hope expressed to that effect by the Secretary of State for External Affairs (Mr. Martin) before the committee on external affairs?

[*English*]

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker, no negotiations are intended with regard to that matter. We discussed these matters with the President of the United States.

EFFECT OF MILITARY DISPLAY ON CANADIAN PRESTIGE ABROAD

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I have a question for the Minister of External Affairs. I should like to ask him whether the proposed Moscow-type military display in Ottawa on Saturday will assist him in maintaining Canada's prestige abroad as a peace loving nation and will assist him in his activities with regard to

disarmament proposals; or will it give the impression that Canada is becoming very militaristic?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I hope that tomorrow's occasion will be, as I expect it will be, a display of the effectiveness of the Canadian armed services which is so ably demonstrated by those who represent Canada in the various UN peace keeping forces for example on the Gaza strip and in Cyprus. I should think that until such time as we are able to have an effective system of world wide disarmament all Canadians, including my hon. friend, will be pleased to see this display of Canada's military forces.

Mr. Churchill: My interest in Canada's military forces exceeds that of the Minister, but I was wondering whether this is the appropriate time, in the disturbed conditions of the world, for this type of display. If there were a war imminent for Canada this would be appropriate, but is it now when we are pressing the peace loving nature of Canada in international affairs?

Mr. Martin (Essex East): Mr. Speaker, I hope my hon. friend did not take my last response in any way as a reflection on his gallantry, which no one in this House disputes.

CYPRUS—INQUIRY AS TO MAINTENANCE OF CANADIAN FORCE

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. Is it the intention of the Government to renew Canada's participation in the United Nations peace keeping force in Cyprus beyond the present commitment; and if so, have any agreements been secured for a sharing of the cost by other member nations of the United Nations?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the answer to the last part of the question is no. The Security Council will probably be meeting next week to consider the renewal of the mandate. After we have been notified of the decision of the Council the Canadian Government will make its decision.

NATO—INQUIRY AS TO REDUCTION IN CANADIAN FORCES

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. In the light of reports of basic shifts in the policy of western countries in NATO, is the Minister in a position to advise the House whether this will involve a reduction in the Canadian forces in Europe at the present time?

Hon. Paul Martin (Secretary of State for External Affairs): I should like to take this question as notice, Mr. Speaker.

SPORTS

OPPORTUNITIES FOR REPRESENTATIONS TO ADVISORY COUNCIL

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, as one who represents a riding which has always made a fetish of physical and moral fitness I wish to address a question to the Minister of National Health and Welfare, of which I have given her oral notice. In view of the mounting interest in the sports and fitness program in Canada, will the Minister consider providing other avenues for sports and other groups to make representations to the Advisory Council on Fitness and Amateur Sport?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Mr. Speaker, a channel does exist in that the national sports governing bodies make representations to the Advisory Council, which advises me. However, as I understand my hon. friend's problem, it is with regard to sports groups which have not had their applications referred to the Council by their national bodies. I would be very pleased, at the request of the hon. Member, to take this question under advisement and see whether there is some appropriate way to make sure they will be considered.

WORLD STUDENT GAMES—REQUEST FOR TRAVEL GRANT

On the orders of the day:

Mr. Arnold Webster (Vancouver-Kingsway): Mr. Speaker, my question is for the Minister of National Health and Welfare. Canada hopes to send a ten member team of athletes to the World Student Games in Budapest in August. What answer has the hon. Minister

given to the request from the Canadian Union of Students for a $10,000 travel grant for this purpose from the National Advisory Council on Fitness and Amateur Sport?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Mr. Speaker, I have not received any such request, notwithstanding the fact that I saw a newspaper report to this effect.

INDUSTRY

ASSISTANCE TO WORKERS DISPLACED BY AUTOMOBILE AGREEMENT

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address a question to the Minister of Industry based on the meeting he had this morning with the delegates from Oshawa, Ontario, representing the workers in the automobile industry and its parts plants. I would ask the Minister whether he can advise if he was able to allay the fears which this delegation brought before him regarding the probable loss of jobs in the Oshawa area as a result of the Canada-U.S. auto agreement, and whether he was able to advise them what safeguards there are or are contemplated so as to look after these displaced workers who are in the 35 to 65 age group.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I think the answer to both questions is yes.

CROWN ASSETS

DISPOSAL OF SURPLUS D.E.W. LINE EQUIPMENT

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I should like to address a question to the Minister of Defence Production. In view of the fact that tenders close on Tuesday next, and in view of the fact that millions of dollars of public funds are involved, will the Minister consider extending the closing date for tenders and reconsider the method of disposing of surplus D.E.W. Line equipment?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I am not quite sure why the hon. Member feels that the whole method of disposal should be reconsidered. The problem of disposing of large quantities of equipment which has become surplus consequent upon the closing down of the mid-Canada line has been given very intensive and serious consideration. I do think that the procedure being followed is in the best interests of the Canadian taxpayer.

Mr. Simpson: A supplementary question. Does the Minister not feel it is worth while considering the suggestion that the Government transport this equipment themselves, taking advantage of what would appear to be tremendous increase in the price they would receive for the equipment if they were to bring it out themselves?

Mr. Drury: In comparing the relative return to the Crown as between the Government bringing the equipment out to the market and allowing the bidders to make their own transport arrangements, the advantage seems to lie in favour of seeking bids on the "as is, where is" basis.

Mr. Simpson: One further supplementary question. I would again ask the Minister whether he would give this his fullest consideration, because there seems to be considerable fear that this equipment will go for a relatively small amount of money due to its particular location at this time, and much more money could be derived by the Crown if the Government were to bring it out themselves.

Mr. Drury: Perhaps, Mr. Speaker, a more valid assessment could be made of this particular problem at the time the bids are in.

PUBLIC BUILDINGS

HULL, QUE.—INQUIRY AS TO CONSTRUCTION

On the orders of the day:

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I should like to direct my question to the Minister of Public Works. We have been here for three sessions and on many occasions we heard the present minister and his predecessor say that, eventually, federal buildings would be erected in Hull, Ottawa's sister city, if you like. But everytime the matter is mentioned we are given the same answer: the project is under consideration. Could the minister finally tell us today whether or not the federal government or his department intend to erect federal buildings on the other side of the river, that is in the city of Hull?

Hon. Lucien Cardin (Minister of Public Works): Mr. Speaker, it is the intention of the Department of Public Works to build public buildings in the whole area of the national capital, including the city of Hull.

I am not in a position to say at the present time which building will be erected in Hull.

Mr. Caouette: Will there be any?

Mr. Cardin: Yes.

[*English*]

AGRICULTURE

CORN—STEPS TO CONTROL DWARF MOSAIC DISEASE

On the orders of the day:

Mr. H. W. Danforth (Kent, Ont): Mr. Speaker, I wish to pose a question to the Minister of Agriculture. I do it in this fashion because of the extreme urgency concerning this year's crop. Since we have learned that last year a new corn disease called dwarf mosaic reached epidemic proportions in U.S. corn growing areas adjacent to our own, causing millions of dollars of damage, would the Minister consider the immediate implementation of a crash program at the Chatham Entomological Laboratory and other Federal institutions in the Canadian corn growing areas, with a view to the possible control of insects suspected of transmitting this new corn disease?

Hon. Harry W. Hays (Minister of Agriculture): Yes, we will be glad to consider this, Mr. Speaker.

NATIONAL DEFENCE

OTTAWA—COST OF MILITARY PARADE

On the orders of the day:

Hon. Léo Cadieux (Associate Minister of National Defence): Mr. Speaker, on Tuesday the hon. Member for Nanaimo-Cowichan-The Islands asked for the estimated cost of the Armed Forces Day parade to be held this Saturday. The cost attributable to this parade is estimated to be $36,000, which includes $29,890 for petrol, oil and lubricants used by the various service vehicles and aircraft and for the local hiring of buses to supplement service transport. This figure does not include normal pay and allowances, as this is not an extra cost. On the other hand, all extra out of pocket expenses are included.

NATIONAL PARKS

BANFF—PURCHASE OF BREWSTER TRANSPORT COMPANIES BY U.S. CORPORATION

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a question for the Acting Minister of Northern Affairs and National Resources. Is the Government aware that Greyhound Corporation of the United States is negotiating to purchase Brewster Transport Company Limited and the Brewster Rocky Mountain Grey Line of Banff, Alberta; and if so, what is the Government's position with respect to the question of substantial private business in our national parks in the hands of non-Canadian interests?

Mr. Speaker: This is a very important question, but it is a good question for the order paper and I am sure the hon. Member will receive a detailed answer.

Mr. Dinsdale: On a question of privilege, Mr. Speaker, the urgency arises from the fact that the negotiations are taking place which vitally concern Canada's interests.

TRANS-CANADA HIGHWAY

NOVA SCOTIA—CONSTRUCTION ACROSS PICTOU HARBOUR

On the orders of the day:

Mr. John Mullally (Kings): Mr. Speaker, I have a question for the Minister of Public Works. Yesterday the Premier of Nova Scotia announced that work will begin immediately on the trans-Canada highway across Pictou Harbour. Since this is the trans-Canada highway route to Prince Edward Island, I should like to ask the Minister whether this announcement is accurate?

Hon. Lucien Cardin (Minister of Public Works): Mr. Speaker, I was interested in the article to which my hon. friend refers. My information is that the necessary approval under the Navigable Waters Protection Act has not yet been completed and that the public notice of the construction which is required under the Act has not yet been given.

Mr. Mullally: A supplementary question, Mr. Speaker. I should also like to ask the Minister whether a route has been selected for the trans-Canada highway near Truro, Nova Scotia.

Mr. Cardin: Mr. Speaker, the general location of the route up to Truro has been selected. However, the proposed by-pass of Truro has not yet been approved by the Federal Government.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. F. J. Bigg (Athabasca): Mr. Speaker, I have a question for the Prime Minister. It

is reported that Mr. Justice Porter of the appellate division of Alberta, and a member of the Redistribution Commission, is being considered for appointment as Lieutenant Governor of Alberta. I wonder whether I could be assured that this is correct.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, it is of course quite improper on the orders of the day to ask about the appointment of a representative of the Crown in the provinces. May I tell my hon. friend even though the question may be out of order, that this is just a newspaper rumour.

REDISTRIBUTION

ALBERTA—PUBLISHING OF CONSTITUENCY MAPS IN NEWSPAPERS

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I wonder whether I could put a related question to the Secretary of State. Has the Minister any report to make on the question I put to him two or three days ago in reference to the apparent leak that appeared in Alberta before the redistribution maps were published in the Canada *Gazette*?

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, we are in communication with the Commission but we have not yet received any answer. I must also tell my hon. friend that these Commissions are not agencies of the Crown, so they are not even obliged to answer.

EDUCATION

INQUIRY AS TO CONSIDERATION AT DOMINION-PROVINCIAL CONFERENCE

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to direct a question to the Prime Minister and ask whether the Government has received a request from any of the provincial Premiers to have the subject of the financing of higher education put on the agenda for the forthcoming Federal-Provincial Conference.

Right Hon. L. B. Pearson (Prime Minister): The correspondence has been tabled, Mr. Speaker. I will have to look into the correspondence to see if that subject was mentioned. I will be glad to answer on Monday.

Inquiries of the Ministry

LABOUR RELATIONS

VANCOUVER—EFFORTS TO SETTLE STRIKE OF GRAIN HANDLERS

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to address a question to the Minister of Labour in view of the fact that the Alberta Wheat Pool terminal elevator at Vancouver has been tied up for well over a week because of a strike. Has Dr. Perry been successful in arranging for any meetings between the labour union involved and the Alberta Wheat Pool; and if so, has there been any indication that the workers are going to conclude this strike that is tying up a capacity of some five million bushels of wheat?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, Dr. Perry has had meetings with the unions and the employers and is continuing his mediation efforts. I have received no report which would indicate that he has reached a conclusion of this work at this moment.

POST OFFICE DEPARTMENT

CONTINUATION OF PROGRAM OF SMALL POST OFFICE CONSTRUCTION

On the orders of the day:

[*Translation*]

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, I wish to put a question to the Minister of Public Works.

Does the government intend to continue building post offices in designated areas, such a step being appreciated by the citizens, since it helps reduce unemployment in winter?

Hon. Lucien Cardin (Minister of Public Works): Mr. Speaker, this matter is at present under consideration.

[*English*]

FORESTRY

REMOVAL OF DEPARTMENTAL LABORATORIES TO SAULT STE. MARIE

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to ask the Minister of Forestry a question arising out of the decision to consolidate forestry research in Sault Ste. Marie, which he announced so indirectly yesterday. I should like to ask the Minister whether he will undertake, when his estimates come before the Agricultural, Forestry and Rural Development Committee later this session, to co-operate by supporting a re-

quest for the calling of outside witnesses by the Committee in order to present views and opinions about this consolidation.

Hon. Maurice Sauvé (Minister of Forestry): No, Mr. Speaker.

DOMINION-PROVINCIAL RELATIONS

QUEBEC—ADDRESS TO HER MAJESTY RESPECTING PROVINCIAL CONSTITUTION

On the orders of the day:

[*Translation*]

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, I wish to direct a question to the Prime Minister.

Is he in a position to tell the house when the debate he promised on the Address being forwarded to Her Majesty the Queen by the Quebec legislative assembly will take place? At the same time, would he tell us whether such an address has now been presented to the Queen?

[*English*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, so far as the first part of the question is concerned, there should be opportunities for discussion of this matter. A supply motion would provide one opportunity. So far as the second part of the question is concerned, the address has not yet been received by me from the Governor General. It may have been received this morning, but it had not been received last evening.

STUDY OF EFFECT ON CANADA OF SEPARATION OF QUEBEC

On the orders of the day:

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, I have a related question. Could the Prime Minister make the progress report he promised to the House some time ago on the study that has been undertaken by the Federal Government with regard to the possible or probable effects on Canadian Confederation of Quebec separatism.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, there is no study being made in those terms. There is a question on the order paper about the interdepartmental examination, and I think I O.K.'d the answer to that this morning. My hon. friend will recall that a few weeks ago I tabled in the House an interim report of the study.

[Mr. Fisher.]

Mr. Martineau: Do I take it the Prime Minister does not intend to make a report to the House on this matter?

Mr. Pearson: Yes, Mr. Speaker, when the work is completed there will be a report made to the House.

COMMONWEALTH RELATIONS

REPORTED PROPOSAL FOR ESTABLISHMENT OF REPRESENTATIVE ASSEMBLY

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I have a question for the Prime Minister. Yesterday the Leader of the Opposition put a question to the Prime Minister, who was unavoidably absent, regarding the reported proposal for the establishment of a representative assembly that may come up at the Commonwealth Conference. The Acting Prime Minister, the Minister of Transport, quite candidly admitted that with his limited capacities he could not answer the question. I wonder whether the Prime Minister has received an opinion from the Secretary of State for External Affairs on this matter, and is he prepared to reply to that question?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, naturally I feel somewhat elated at being able to answer a question that defeated my hon. friend the Minister of Transport. The question of parliamentary discussions within the Commonwealth and the possible setting up of an agency for that purpose is to be discussed in London at the Commonwealth Conference. The proposal for such discussions was made by the United Kingdom Prime Minister. He said in his message to the other Prime Ministers that he hoped for a general discussion and exchange of views on the possibility of progress in the direction of further Parliamentary discussions among members of the Commonwealth. Naturally we will be very glad to participate in that kind of examination, but we are very conscious, as I am sure all hon. Members are, of the important part played in this field by the Commonwealth Parliamentary Association, and I think one would have to keep that in mind in the consideration of any new parliamentary machinery.

OLD AGE SECURITY

NEWSPAPER ADVERTISEMENTS RESPECTING APPLICATIONS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a ques-

tion to the Minister of National Health and Welfare. In reply to a question of mine on June 1 the Minister indicated that within a few days advertisements would appear in every newspaper in Canada telling people when they may apply for old age security under the new provision which lowers the qualifying age. Now that some nine or ten days have gone by can she say when these advertisements will appear and can she say whether they will answer the questions people are asking about this matter?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Mr. Speaker, they will appear next Tuesday or Wednesday in all newspapers across Canada. They will contain a chart indicating that if you were born on or before such and such a date you will apply on such and such a date. I am sure they will answer any questions.

FISHERIES

NEGOTIATIONS RESPECTING ESTABLISHMENT OF FISHING ZONES

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like to address a question to the Secretary of State for External Affairs which will recall to his mind his appearance before the Standing Committee on Marine and Fisheries on the matter of the extension of our fishing zones. Have the negotiations for the establishment of base line co-ordinates been completed? If not, what is the Minister doing to assist his colleague, the Minister of Fisheries, in this connection in view of the Minister's primary responsibility for external affairs?

Hon. Paul Martin (Secretary of State for External Affairs): What am I doing, Mr. Speaker? I am working very hard together with my colleague, the Minister of Fisheries, in respect of a negotiation that is proving very difficult.

Mr. Barnett: Is the Secretary of State for External Affairs aware of the fact it is almost a year now since the act was proclaimed in connection with the extension of our fishing zone?

Mr. Martin (Essex East): Mr. Speaker, I am only too well aware of the fact.

Hon. J. A. MacLean (Queens): A supplementary question, Mr. Speaker. Can the Secretary of State for External Affairs give the House some indication of what progress, if any, is being made as a result of his efforts?

Mr. Churchill: Just give your opinion.

Mr. Martin (Essex East): My hon. friend is not, of course, a member of the External Affairs Committee, but I hope to make a full statement on this matter. As a former Minister of Fisheries my hon. friend knows that we have negotiations under way with a number of countries, including the United States. These negotiations involve matters that are of great concern to these countries not only from the standpoint of fisheries but from other points of view. However, we are hopeful that, notwithstanding these difficulties, we will be able to reach some agreement.

Mr. T. C. Douglas (Burnaby-Coquitlam): Does the Minister consider his appearances before the External Affairs Committee are informative?

Mr. Martin (Essex East): Mr. Speaker, I would hope that my appearance yesterday helped to educate the hon. gentleman.

BICULTURALISM AND BILINGUALISM

SUGGESTED WITHDRAWAL OF ROYAL COMMISSION

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I should like to direct a question to the Secretary of State. In view of the fact that a recent survey in Ottawa indicated opposition to the Bilingualism and Biculturalism Commission by 15 to 1, and the growing feeling that this Commission is destroying the tolerance built up in Canada between our two founding races during the past 100 years, would the Minister give consideration to withdrawing this Commission, especially in view of its excessive cost to the Canadian taxpayers?

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, although I do not accept the allegation made by the hon. Member I must repeat to the House that I am not responsible for this Royal Commission.

Mr. Crouse: Then may I direct this question to the attention of the Prime Minister. May I say it is not a matter of an allegation; the Ottawa newspapers reported the results of a survey that was made which indicated opposition to the Commission in this City by 15 to 1.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am afraid I do not even accept the conclusion of that particular survey, and

I think it would be most unfortunate and inappropriate for the Government to intervene at this time and wind up the work of that Royal Commission when its work is not yet completed.

COMPANY OF YOUNG CANADIANS

REQUEST FOR REPORT ON PROGRESS OF ORGANIZATION

On the orders of the day:

Mr. Arnold Webster (Vancouver-Kingsway): Mr. Speaker, my question is for the Prime Minister. Has any progress been made in setting up the organization to recruit the Company of Young Canadians?

Right Hon. L. B. Pearson (Prime Minister): Yes, indeed, Mr. Speaker. An organizing committee has been set up, the personnel of which has been announced. It might be of interest to the House if I were to make a report as soon as possible on the progress of the organizing work, and I would be glad to do that.

Mr. Knowles: Has the Prime Minister enlisted?

PROCEDURE

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Mr. Speaker: Does the House now consent to revert to motions in order that the President of the Privy Council may move concurrence in the report of the Special Committee on Procedures of the House?

Some hon. Members: Agreed.

• (12:00 noon)

Hon. G. J. McIlraith (President of the Privy Council): I move, seconded by the Minister of Transport:

That the first report of the Special Committee on Procedure of the House of Commons presented this day be now concurred in.

Hon. Gordon Churchill (Winnipeg South Centre): I appreciate that the motion is debatable, and I appreciate also the fact that we are working under a guillotine imposed by the House of Commons some time ago so that the discussion of this report, plus the other matters before us in connection with the rules, have to be finished by five o'clock. I should like to say this, that the report which has been brought back to the House, as the report itself states, was adopted by the Committee on division and is not a unanimous opinion from that Committee.

[Mr. Pearson.]

I intend to speak very briefly in order to give to the backbenchers of this House, who are almost in revolt against limitations of time that are now being imposed in the House and who have apparently discovered that the major changes in the rules are striking at the freedom of the backbenchers, an opportunity to speak. On the other hand, I realize that if there is a vote on this report it will be an open vote since the rules affect every single Member individually. It is not a case of the Government versus the Opposition. I presume if there is a vote we will be able to observe the independence expressed by various Members of this House without the whips compelling them to do something they do not wish to do.

I just want to say this, Sir. Now that we are reaching the end of this revision of the rules and procedures, the most extensive revision since 1955, I hope there will be an appropriate pause for a year or two until we see the effects of the changes rather than trying to press on with some more changes. It has become obvious that once you start making changes in the rules and procedures of this House you discover problems that were not evident before. What is coming out of this major change in the rules and procedures is an increase in the power of the executive, which already was too great and should have been diminished. The private Members of this House are beginning to realize that, but rather too late in the day.

The second thing that comes out of it is a restriction on the freedom of speech so far as the Opposition are concerned, and the time they may devote to matters of public interest can be seriously restricted. This is a dangerous move and may have bad effects in the future.

The third matter that comes out of the study of the proposed changes is that shackles are being placed on the private Members of this House by the private Members themselves. They failed, a few days ago, to pay close attention to the speeches that were made on this subject. Only yesterday did they appear to awaken to the fact that they were encouraging the executive to put shackles on the private Members. We heard quite a bit about the advantages that accrue to those who are on the front benches and the disadvantages to those who are somewhat further removed from the aisle. I hope today the backbenchers will assert their rights by their vote and restrain the Government from the imposition of a second method of closure.

They have one on the books now and they are putting on another one.

Quite a bit of this has come about because of the composition of the present executive. Several of the most prominent members of the treasury benches have not gone through that orderly progression from the back row to the front row. It is a rather slow process, as some of us have found out, but it has its advantages. You get the point of view of the private Member which a person who is catapulted into the front row does not get.

The present Prime Minister and the Minister of Transport—I will not mention all the others—were catapulted into the front row. The Prime Minister entered the front row, I presume, when he entered the House, and the Minister of Transport got into the second row from the front, which was too far advanced a position for him at that time anyway. Nevertheless, there was the unusual progression from outside of the House of Commons right to the treasury benches. These gentlemen did not receive the training that I believe a parliamentarian should get; that is, to start at the curtains in the back row and gradually move forward. In this way an hon. Member has an idea of the penalties that fall upon the less prominent Members of the House of Commons as they sit in the back row and then gradually move forward.

I put in a plea ten days ago on behalf of the backbenchers, and I return to that subject now. People come into this House in the same way, by the votes within a constituency. There is a great equality at election time when you are standing for election. Every person is in the same position, in that it is the votes of the people in the constituency that move him into the House of Commons. When he gets into the House of Commons he finds everybody there is equal, but some are more equal than others. He discovers, slowly and painfully when he sits in the back row, that he is to be seen and not heard unless the whip of the party, acting under instructions, discovers that a debate requires somebody to carry it on. Then the backbencher is a very useful person. I have been all through this, and I realize what it is.

It is nice to have a backbencher around to vote, very nice to have him around to maintain a quorum in the House. Under the rules now it will be the backbencher who will be here during the lunch hour because the people on the front benches will have to go to have their meals. I realize that when you are in the back benches you must not interfere with the front benchers when they are making the lead off speeches on some subject. After they have made their speeches, then the backbencher is called, the subject having been fairly well exhausted by those previous utterances of the front benches. The backbencher is asked often to make a 30 or 40 minute speech because one of the frontbenchers who is away wants to come back the next day and contribute to the debate, so it must be kept open. I have been through that on many occasions. This goes back a good many years.

This is the function of the backbencher. He is a very useful person on occasion. When there is a limited debate, when closure has been applied, it is only the frontbenchers who are to be heard, the people who will speak for their party and express the opinion of the party. The backbencher is just to sit and listen and when the time comes, to vote.

This is the most difficult position the backbencher occupies in this House under the changes in the rules that have been brought forward. The first major change came in 1955 when a restriction was placed on the length of the debate on the Address in Reply to the Speech from the Throne and the Budget debate. Backbenchers were then squeezed out because there was not sufficient available time for them to participate in debates. Now they are contributing to squeezing themselves out further, and their function in Parliament will be less prominent than it has been in the past.

• (12:10 p.m.)

In the report presented to us today a sop is thrown out to the backbencher, in that on a closure motion which gives one day for debate on third reading there can be an extension of four hours beyond normal closing time if backbenchers who have not been heard, but still want to get something on the record, suggest to the Speaker that their names be placed on the list of speakers to be called. The extra four hours will be granted to them to express themselves but each individual will be limited to 20 minutes, so that only 12 may be heard; and if 40 others wish to be heard they will be chopped off.

This is what I call the anti-whip amendment, because it gives the backbenchers who are not in good standing with their whips, who cannot get on their party list of speakers, an opportunity to go direct to Mr. Speaker on the last day of a closed debate and get the opportunity to be heard.

I pity the backbenchers in the future. I regret they have not aroused themselves in large numbers on this occasion, and have not seen that the executive is grasping more

power. They have not seen that the backbencher is being relegated to an even more inferior position than he has occupied in the past. He is now being asked to put the shackles on himself, to fasten the ball and chain on his own foot so that his activities in this Chamber will be reduced.

Much of what we are seeking would have been achieved by extending the hours of sitting from 25½ to 33 hours per week. This would have made the necessary provision for shortening a session, as some desire, and giving more Members the opportunity to speak. But we have gone further than that because the Government insists on the closure rule and backbenchers are being asked to confer this great power on the executive.

With a limit on this debate, with the guillotine not quite as sharp as it was yesterday, its edge a bit blunted, but with it ready to fall at five o'clock this evening, I now relinquish the floor to the backbenchers of the House of Commons.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I am sure we have all enjoyed the delightful touches of irony with which the hon. Member for Winnipeg South Centre has regaled us with during the speech he has just terminated under his own voluntary guillotine.

The hon. Member has rightly pointed out that the report of the special committee consisting of nine Members of the House was agreed to on division. I rise, as a member of the committee who supported the report, to support the motion for its adoption, and like the hon. Member for Winnipeg South Centre I shall try to keep my remarks brief. However, I feel one fundamental point should be emphasized once more.

In the main the business of the House of Commons consists of two things. We must have the chance to speak, the right to discuss all the matters that are brought before us; and second, we must have the right to reach decisions. The whole problem in parliamentary procedure is to find a balance between these two propositions.

This is not the first time Parliament has attempted to find that balance. When limitations were put on the length of time a Member could speak, that was part of the attempt. In 1955 when certain debates, such as on the Address, the Budget and supply motions, were limited, that was another attempt to achieve that balance. What we are now proposing is that that step be carried a bit further, that there be arrangements whereby the House itself can come to agreement that certain other debates be given a time limit so that certain items can be concluded and the House can get on to other matters.

[Mr. Churchill.]

I think the House generally believes this is the wise and responsible thing to do. I believe the people of Canada support us in our contention that we should organize our parliamentary year, which includes planning the use of our parliamentary time. Therefore I am not disturbed by the manner in which the hon. Member for Winnipeg South Centre tries to suggest, as he has done so often, that we are extending the principle of closure. That is not an accurate description of the rule we are now discussing. All he is doing is arguing by assertion.

The one thing the country has the right to expect us to do is to organize our work better, and it is on that basis that we support the principle of the allocation of time. Indeed, we have been urging for some considerable time that this be adopted. You, Mr. Deputy Speaker, will recall serving with others and with me as members of a subcommittee on procedure last session when we worked on this problem and came up with draft orders along this very line, which in fact had wide support.

When this matter was discussed earlier in the House arguments arose over the wording of the proposal for an allocation of time order. As a result the matter was referred to a special committee of nine Members of the House, and it is the report of that committee which we now have before us.

The hon. Member for Winnipeg South Centre referred briefly to the one change of substance that our committee has recommended, and I should like to refer to it also, but I do so as a supporter of the proposed change. May I point out that the rule as sent to the committee provided for certain conditions under which allocation limits could be set. It established a certain set of minimum provisions under which, if a Minister was moving a time allocation order without the support of the business committee, the least he could ask for would be two days on second reading, two days in Committee of the Whole, and one day on third reading. Some people thought this would be the pattern in all cases, but that does not follow at all. The Business Committee itself may recommend shorter or

longer periods, and even a Minister may recommend longer periods.

In the case of a money bill, the minimum time possible is six days; for in addition to those five days on the bill itself there is the one day already provided for discussion of the resolution preceding the bill, and when a Minister moves a time allocation order there can be an additional day's debate on that motion.

• (12:20 p.m.)

We must also face the fact that even though some of us are opposed to the provision to extend the hours by sitting from six to eight, nevertheless that provision has been passed. The result is that each day will be longer, so the possibility of six full days of debate on a money measure adds up to quite a few more hours than would have been the case in six days of debate under the former rules. Having in mind the amount of time taken in a parliament such as Westminster, I maintain we are not being unreasonable in giving our support to the principle of time allocation translated into these specific terms.

Let me come now to the one substantial change which the committee of nine has proposed. I wish there had been an opportunity to print these recommendations as an appendix to *Hansard* in order that all hon. Members might have before them the substance of the proposal. That, however, is a matter for the Minister rather than for me. What we have proposed is that when third reading of a bill takes place under a time allocation, whether it is the one day minimum or whether it is any length of time that the business committee may have recommended, at ten o'clock on the last day of the time allocated for third reading it shall be possible for the debate to be extended. We have made this recommendation because we feel the appeals made by backbenchers are legitimate. We are not trying to protect the right of filibuster, the right to prevent a decision from being reached. We are saying there are occasions when Members representing constituencies rightfully feel they should have a chance to speak come what may. So we have recommended that on this final day Mr. Speaker shall have the authority to extend the time available up to an additional four hours. We have recommended that during this four hour period speeches shall be limited to 20 minutes and that speakers shall be drawn from among those who have notified Mr. Speaker that they wish to get on his list and who have given their notice at least one hour before the normal adjournment time. If the House were under an allocation of time order on third reading, at eight o'clock on the last day Members who wanted to speak would notify Mr. Speaker. If the number was small enough to enable all of them to "get on" by ten o'clock, that would be fine. But if there should be too many, Mr. Speaker has the right to continue the sitting for a further four hours and he will choose the speakers from among those who have notified him of their wish to speak.

We have also provided that during this four hour period there shall be no further amendments or subamendments. In other words we are providing for the genuine case of the backbencher who feels he must get his word into the debate, despite the fact that he has not managed to do so. We have also provided that if during the extended period, say between 10 p.m. and 2 a.m., there is a call for a vote the vote shall not be taken at that time, providing five members so request, but that it be postponed until the next sitting day when it will, of necessity, be taken as the first item under Government orders, without further debate.

I can see that we might have done better. We might have made the period longer. We might have set no final limit. But I suggest this represents a distinct improvement compared with the proposed standing order as we first took it under consideration in the committee of nine. I put it to the House that we have done a bit more toward achieving a balance between the right of Members to speak and the right of Parliament to reach a point at which a decision is made.

I believe it was a good idea for this proposed standing order to be referred to the special committee. I believe the special committee has come back with a good report. I am sorry it is not unanimous, but it is the report of the committee and I hope Members generally will acknowledge that it should be supported and that it should become an order of the House, as provided in the report itself, for the balance of this session and for the next session of this Parliament, subject to whatever decision the House may make at that time.

Mr. Speaker, I have pleasure in supporting the motion for the adoption of this report.

Mr. H. A. Olson (Medicine Hat): I, too, would like to support the report which has come back from the special committee of nine in connection with the second paragraph of the resolution before us.

I find it strange that an argument can be advanced that this in some way is likely to

infringe on the rights and privileges of backbenchers. I say it seems strange, having in mind the fact that I have not heard anyone complaining in this House that the arrangements made for the debate on the Budget and the debate on the Address in Reply to the Speech from the Throne, each limited in extent, constitute an infringement of the rights and privileges of backbenchers.

We know that even if all the provisions contained in the new standing order 15 were used it would be impossible for a Government to limit a debate to less than one day on the resolution, in the case of a bill, two days for second reading, two days in committee after second reading and one day plus an overtime period of four hours on third reading. I would also draw to the attention of the House the fact that in addition to these six days there is also a one day debate which can be demanded on the motion to impose these rules. Therefore, every time this Standing Order 15A is used, provision will be made for an amount of time to be spent on one single piece of legislation at least equal to that which is available for discussion of the Speech from the Throne, a discussion which is, I suggest, of far greater magnitude inasmuch as it embraces the whole of the Government's legislative program for the session.

Indeed, even more time will be allowed taking into account the extra hours which will be available each day. At present the debate on the Budget is limited to six sitting days of about five hours each day. In other words it is limited to about 30 hours. This debate on the Budget involves the whole of the Government's fiscal policy for the year. Yet even should the Minister use every one of the provisions of this standing order he cannot provide for less time on a single piece of legislation than is now available to backbenchers to deal with the Government's whole fiscal policy for the year.

I cannot, therefore, accept the argument that this proposed standing order is in any way an infringement or a curtailment of the right of backbenchers to participate in debates. What it does is this. It provides that we shall move on from one piece of legislation to another within reasonable time limits. I suggest to you, Mr. Speaker, that the most effective form of closure we have witnessed in this House is the abuse of these open-ended debates which prevents us moving from one piece of legislation to another.

Some hon. Members: Hear, hear.

[Mr. Olson.]

Mr. Olson: During the last year or so we have seen effective use made of this method of closure so as to prevent any discussion by the House of such subjects as regional air policy which are most important to some Members. Tactics such as I have described have closed out the possibility of our dealing with major amendments to the Railway Act. They have for two years closed out a most important measure dealing with the revision of the Bank Act.

Mr. Churchill: That is not right.

Mr. Olson: Despite this, we encounter the argument that this proposal will in some way curtail the rights of backbenchers in this House.

Mr. Churchill: Give us factual reports, not that stuff.

Mr. Olson: I think it is a fact that this is the second year an extension of the bank charters has been required because all the time available, on a continuing basis for 16 months, has been used up in debates on other subjects.

• (12:30 p.m.)

Mr. Churchill: Blame the Government.

Mr. Olson: We ought to blame the House and the rules under which we are operating.

An hon. Member: They did not work before.

Mr. Olson: They have worked before, and they worked until Members on all sides of the House, and more so Members in particular parts of the House, developed the technique of abusing the rules. This sort of thing having gone on to the degree we have witnessed in this House during the past 15 to 16 months, in the interests simply of getting through the essential business it is necessary to make some kind of modifications.

A number of changes were made by the committee of nine, and generally we support all of them. I should like to say there will probably be other modifications which will be necessary, based on the experience of the balance of this session plus one more full session. I am not suggesting that what is now in the report should be made hard and fast and unchangeable because we usually find, no matter how well we try to anticipate all the difficulties or contingencies which may arise, that there is nothing better than some practical experience upon which to judge or test the effectiveness of changes so we can bring them into line with that experience.

So, Mr. Speaker, we in this party support this kind of modification of our rules. We do

not accept the argument that it is a more severe restriction than some of the restrictions under which we already operate. For example, I think it could be argued, as the hon. Member for Winnipeg North Centre said, that even when we reduce the time an individual Member may speak to 40 minutes when the Speaker is in the Chair, and to 30 minutes in committee, this by itself was a restriction of the right of Members to express themselves. Yet it was necessary so that other Members could speak. I think one of the essentials of freedom of speech and action is that you are also willing to allow your colleagues the same right. If there are no restrictions whatever on the length of speeches or the number of days for consideration of the throne speech or the budget, and so on, then you effectively shut out those who would follow you if you take too much time.

So I just say that I think the provisions made in Government Order 15 which will allow backbenchers unlimited time to examine and discuss each Department in a standing committee and the other provisions in this resolution, taken with the other resolution which has been passed, considering the whole package on balance, will enhance the position of the backbencher rather than take something away from him.

[*Translation*]

Mr. Robert Beaulé (Quebec East): Mr. Speaker, I wish to make a few remarks before this report is adopted.

During the proceedings I realized that the deeper we delve into the Standing Orders, the more we impede the progress of the business of the house. I think we should put an end to this debate and that the time for action has now come. The procedure must absolutely be changed so the house may accomplish some progress. If a businessman handled his affairs the way the House of Commons handles its business, I believe he soon would be bankrupt.

The debate dealt mostly with paragraph 7 of section 15A of resolution No. 15 concerning the limitation of debates. I pointed out to the Committee that a definite period of time was allocated in regard to the address in reply to the speech from the throne and the budget debate, and that I never saw a member rise in this house to claim that he was being gagged or guillotined. I am surprised to find that such words as "guillotine" and "closure" have been used in connection with amending the standing orders in order to expedite the business of the house.

As far as I am concerned, you can be sure that our party is in favour of a major change in the rules and that we will support the report of the committee. Moreover, the sooner it is adopted the better it will be for the house.

According to paragraph 7, two days will be allowed for debate prior to second reading, two days for discussion in committee and one day for debate on third reading and, in addition, a period of four hours if a member did not have the opportunity of speaking during the debate. Therefore, in my opinion, this fully meets the requirements of the members. During a debate when the member of a party speaks for 40 minutes to voice his opinion on the principle of a bill while the Speaker is in the chair and another member of his party speaks for 40 minutes it offers constructive criticism, I think then the members have done their duties; it would therefore serve no useful purpose to extend the debate for hours, days or weeks for the simple reason of gaining public favour.

We are in favour of the standing orders as presented in this report and we will gladly vote along those lines.

[*English*]

Miss Pauline Jewett (Northumberland): Mr. Speaker, as one backbencher I just wanted to thank the frontbenchers who have spoken, particularly the hon. Member for Winnipeg South Centre for the crocodile tears shed on our behalf. However, it seemed to me that he had missed the point. I think most of us who are backbenchers are really quite happy with what has been done in this report by the committee of frontbenchers. Indeed, my impression is that the degree of unanimity which has been reached—and I am sorry it is not complete—shows very clearly that the frontbenchers in the last week or two have been giving a good deal of thought to the very kind of problems which most bother us on the back benches. Their thought has been given expression in some of the recommendations made, not only the ones made today but some of the changes made earlier in the previous resolution, Government Order 14.

Indeed, when I think back over the last two or three weeks and recall the various suggestions which different members in all parties have made to our House Leaders and others on the front benches, I personally am very comforted to realize how many of our ideas and suggestions have been accepted and embodied in changes. Some suggested, for example, a change in the number of days spent on supply. Others suggested, perhaps

quietly, certain changes in the committee structure in relation to matters which were not desirable and which the Government conceded. Others suggested changes with respect to the length of speeches, that the Business Committee should consider how long speeches should last. That kind of suggestion came from many of us on the back benches. The suggestion that we now have the opportunity of an extra four hours on the last day on third reading is one which I think has been pushed most strongly by the so-called backbenchers.

Perhaps on behalf of some others here I may say that I think the work which the Special Committee have done in the last day or so, as well as the concessions which have been made and the friendly co-operation which has been given by all frontbenchers in the last two or three weeks, has produced changes which from our point of view, certainly from my point of view, are going to be very helpful to all of us in this House. I myself would have preferred this extra four hours to have come on second reading. I think it is a little artificial to have the extra four hours on third reading rather than on second reading, because on third reading the bill is pretty well cut and dried and all settled.

Mr. Churchill: I advanced that argument but they would not accept it. I am glad you support it.

Miss Jewett: So that is one you made on our behalf. I am sorry you did not get it through.

• (12:40 p.m.)

Mr. Woolliams: You are getting pretty friendly.

Miss Jewett: I think it might have been a little more logical to have it on second reading, when one still has some hope of influencing the vote on the principle of the bill. However, Mr. Speaker, unless others feel strongly about that perhaps there is no need to push it now. I would hope, finally, that as a result of these past several weeks discussing the procedures of the House, since today is probably going to be the last day on which we will be discussing these changes and they are going into effect, if they go through today, for the remainder of this session and next session—

Mr. Knowles: This is the last day we will have lunch, too.

Miss Jewett: Yes. In view of this, Mr. Speaker, I would hope that those Members who sit on the Business Committee will keep one thing particularly in mind as they are arranging time allocations, and that is the desirability of speeches being of variable length depending upon the bill being considered. Surely one of the most progressive concepts that has developed in some legislatures is the realization that a straight 20 minutes or 30 minutes rule for all speeches on all bills is rather artificial; that there should be perhaps a ten minute rule on some bills, certainly at committee stage and possibly even occasionally on second reading. There are some legislatures, of course, which have a three minute rule, although I do not suppose we could bring ourselves to that, nor perhaps should we. But I do hope the Business Committee will seriously consider the variability of the length of speeches depending on the bill and the stage it has reached, and will seriously consider a ten minute rule for certain kinds of bills and at certain stages.

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, the front benchers have told me to shut up but I am not going to do so. I think I should have a chance to speak in other than the Throne Speech debate and the Budget debate. I am only going to speak for five minutes.

In my opinion, Mr. Speaker, under the proposed Standing Order 15A it is possible for the Business Committee to fix the length of time for debate before they have even seen the bill. Also, it is possible for a Minister to introduce a resolution limiting time without the Members of this House having seen the bill. I am afraid that some complicated piece of legislation might be brought before this House and in certain circumstances rammed through without adequate consideration being given to them.

My suggestion to the Government was that the allocation of time with regard to committee stage and third reading should not apply unless the subject matter of the bill had been referred to a special or standing committee of the House and that committee had reported back. Then at least we would be assured that adequate consideration had been given to the subject matter of the bill and we would also accomplish a saving of the time of the House.

In view of the fact that none of these suggestions are contained in Standing Order 15A as proposed, Mr. Speaker, I have no alternative but to vote against it. I think this is a vicious measure.

Mr. Ian Grant Wahn (St. Paul's): Mr. Speaker, earlier in this debate I suggested that possibly some principle could be established whereby the time could be extended to make sure that private Members who felt they should speak on a particular measure might be able to do so. I suggested that if necessary the debate should continue all evening. To some extent this latest amendment adopts that idea. However, there are so many limitations placed upon it that one of the main reasons for my suggestion no longer has a great deal of force.

The reason I made this suggestion was that I felt the possibility of a debate being extended all through the evening would be so unpleasant to Members on the front benches, and other Members in the House, that a real incentive would be provided to recognize the rights of private Members. It would retain, in other words, a negotiating position for the private Member. The limitations which have been placed upon the extension of debate are such as to completely destroy that particular reason for my suggestion. In other words the private Member's negotiating position has been destroyed completely, and the amendment really does not improve his negotiating position at all.

The first of the three limitations to which I refer is that the extension of four hours only applies on third reading. This is, of course, after the principle of the bill has been approved. Second reading is the time when the principle of the bill should be debated; so if there is any merit at all in giving the private Member a right to be heard, surely it should be on second reading and not on third reading.

Some hon. Members: Hear, hear.

Mr. Wahn: Under this system he is required to get up and vote on the principle of the bill on second reading and does not have an opportunity of expressing any reservations he may have until third reading. It does seem to me this puts a private Member in a very difficult position; indeed, it is an almost illogical and irrational position.

The other two limitations are matters upon which I would be interested in hearing from those hon. Members who have spoken in favour of this amendment. I would ask them to give reasons why they should be included. The first limitation is that there should be no amendments during this four hour extension period, and the second limitation is that any five Members can move that the vote be postponed until the next sitting day.

I realize that arguments can be put forward in favour of these particular limitations, but I suggest the real reason for them is to dispense with the necessity of anyone being here during the extended debate. At least, Mr. Speaker, this is one possible effect of these two limitations, because I must not impute motives. They will make it unnecessary for members of the front bench or, indeed, for Members in all parts of the House, to be present while the private Members try to make their points. The effect is to completely destroy the negotiating position which I hoped the backbencher would retain with an extended debate.

It has been pointed out that this measure will be applied on a trial basis. I think it is a very good thing that it is on a trial basis. But since it is on this basis I would have thought that those who introduced it could have afforded to be generous in protecting the rights of backbenchers rather than restricting them. If they had been generous and had given more protection to the rights of backbenchers, perhaps it would have been found after the trial period that legislation was not being filibustered after all. It seems to me rather pessimistic on their part to assume that they must limit the rights of backbenchers to the extent that they have, in order to make certain there shall be no unduly extended debate.

I think most of us are very happy with many of the amendments that have been made; we think they will improve the procedure of the House. However, Mr. Speaker, it does seem to me that since this particular rule is being adopted on a trial basis, more generous measures should have been taken to make sure that the negotiating position of the private, back bench Member was retained.

I would ask the House Leader, the President of the Privy Council, when he speaks to tell us what will happen, for example, to the rights of the backbencher in view of these limitations if there is no quorum in the House. Will the right of the backbencher be completely destroyed? I made a number of suggestions when I spoke a few days ago in this debate. I believe that any one of them could have been adopted and they would have preserved the rights of the backbencher while at the same time permitting the Government to get its legislation through without undue delay. I suggest that even at this late date some improvements could be made in this particular rule.

Some hon. Members: Question.

House of Commons Procedures

Hon. G. J. McIlraith (President of the Privy Council): Mr. Speaker, I have very few remarks to make—

Mr. Deputy Speaker: Order. If the Minister speaks now he will close the debate.

Mr. McIlraith: —in closing the debate, but I should like at the very outset of my remarks to thank the hon. Members who served on the Committee for their devotion to duty and for having accepted to meet at some rather awkward hours. I want, Mr. Speaker, to put that word of appreciation on record.

• (12:50 p.m.)

In view of certain remarks made during the course of this debate there is one specific point I think I should make. The effect of these two orders is to lengthen very sharply the debate on the Budget, on the Speech from the Throne and on the resolution stage before a bill. Apparently Members have not figured out the result, but overlooking altogether the shortening of the question period and making no allowance whatever for the additional time gained in that way, the extra hours on the Throne Speech debate are something like 15, which would make provision for approximately 22 more speakers. I am not precise because theoretically the number of hours could be reduced if only Wednesdays or Fridays were utilized all through that debate. However, something more than 15 hours will be provided, and allowing 40 minutes per speech it can be easily seen that a good many more speakers can participate in that debate.

Similarly, in the budget debate which is now confined to a limited period there will be an additional 9½ hours available, thus making provision for some 17 additional speakers. The result is that the whole change being made has the effect of programming the business, but it does not curtail the opportunity for Members to speak. Rather, in total it extends their opportunity to do so. I hope hon. Members will check these figures themselves. I will conclude my remarks now so that the vote can be taken.

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

Mr. Churchill: Will you call for the yeas and nays, Mr. Speaker.

Mr. Deputy Speaker: All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

[Mr. Wahn.]

Some hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

Mr. Churchill: We want the Liberal backbenchers to vote.

The House divided on the motion (Mr. McIlraith) which was agreed to on the following division:

YEAS

Messrs:

Asselin (Richmond-Wolfe)
Badanai
Barnett
Basford
Batten
Beaulé
Béchard
Benson
Berger
Blouin
Boutin
Byrne
Cadieux (Terrebonne)
Cameron (Nanaimo-Cowichan-The Islands)
Cantin
Caouette
Caron
Carter
Cashin
Cowan
Davis
Deachman
Deschatelets
Dionne
Douglas
Drouin
Drury
Dubé
Émard
Ethier
Eudes
Fairweather
Fisher
Forest
Francis
Frenette
Gauthier
Gelber
Godin
Gordon
Gray
Greene
Guay
Habel
Hellyer
Herridge
Jewett, Miss
Jones, Mrs.
Kelly
Klein
Knowles
Konantz, Mrs.
Lachance
LaMarsh, Miss
Lamontagne
Laniel
Laprise
Latulippe
Leblanc
Leduc
Legault
Lessard (Lake St. John)
Lessard (St. Henry)
Macaluso
Macdonald
Mackasey
MacNaught
McIlraith
Martin (Essex East)
Martineau
Mather
Matte
Moreau
Morison
Mullally
Munro
Nixon
O'Keefe
Olson
Orlikow
Patterson
Pepin
Perron
Pickersgill
Pilon
Plourde
Prittie
Prud'homme
Rochon
Rock
Rondeau
Rouleau
Ryan
Saltsman
Stewart
Tardif
Teillet
Temple
Thompson
Tucker
Walker
Webster
Winch—103.

NAYS

Messrs:

Alkenbrack	Monteith
Cantelon	Moore
Cardiff	Muir (Lisgar)
Chatterton	Nielsen
Churchill	Pascoe
Clancy	Peters
Crouse	Rapp
Danforth	Simpson
Dinsdale	Southam
Gundlock	Starr
Hales	Thomas
Lambert	Vincent
MacEwan	Wadds, Mrs.
MacLean (Queens)	Webb
MacRae	Winkler
McCutcheon	Woolliams—33.
McIntosh	

• (1:20 p.m.)

Mr. Deputy Speaker: I declare the motion carried.

Mr. Pennell: I was paired. Had I voted I would have voted for the motion.

Mr. Groos: I was paired. Had I voted I would have voted for the motion.

Mr. Granger: I was paired. Had I voted I would have voted for the motion.

Mr. Harley: I was paired. Had I voted I would have voted in favour of the motion.

Mr. Deputy Speaker: We will now call order no. 15.

HOUSE OF COMMONS

AMENDMENT OF STANDING ORDERS RESPECTING CONDUCT OF BUSINESS

The House resumed from Thursday, June 10, consideration in committee of the following resolution—Mr. Pearson—Mr. Lamoureux in the Chair:

That the following amendments be made to Standing Orders:

1. That Standing Order 6 be deleted and the following substituted therefor:

Standing Order 6

6. (1) At 6:00 o'clock p.m. on Wednesdays and Fridays and at 10:00 o'clock p.m. on Mondays, Tuesdays and Thursdays, unless provided otherwise in these Standing Orders, Mr. Speaker shall adjourn the House without question put until the next sitting day.

(2) A motion that the House continue to sit after the hour specified in Section (1) may be made at any time without notice. If any member objects to the motion, Mr. Speaker shall request those members who object to rise in their places and if ten or more members then rise, the question shall not be put on the motion. If no member objects or if fewer than ten members rise in their places, the motion shall be deemed to be carried. No debate or formal vote shall be held on such a motion to extend a sitting. An extended sitting under the provisions of this Section, unless a closing time has been specified, shall not be terminated except by the adoption of a motion to adjourn and Mr. Speaker shall not deem that a motion to adjourn the House has been made by virtue of the operation of any other Standing Order.

(3) If any member objects to the taking of a vote at any time between 1:00 o'clock p.m. and 2:30 o'clock p.m. or between 6:00 o'clock p.m. and 8:00 o'clock p.m., Mr. Speaker shall request those members who object to rise in their places and if five or more members rise, the taking of the vote shall be postponed until after 2:30 o'clock p.m. or until after 8:00 o'clock p.m. as the case may be.

(4) When it is provided in any Standing Order or in any order of the House that the business under consideration at the ordinary time of adjournment be forthwith disposed of or concluded, Mr. Speaker shall not adjourn the House until the specified proceedings be completed.

2. That Section (1) of Standing Order 12 be amended to read as follows:

Standing Order 12, Section (1)

12. (1) Mr. Speaker shall preserve order and decorum, and shall decide questions of order. In explaining a point of order or practice, he shall state the standing order or authority applicable to the case. No debate shall be permitted on any such decision, nor shall any such decision be subject to an appeal to the House.

3. That Sections (3) and (4) of Standing Order 15 be amended to read as follows:

Standing Order 15, Sections (3) and (4)

15. (3) Except as otherwise provided in these Standing Orders, the order of business for the consideration of the House, day-by-day, after the daily routine shall be as follows:

(*Monday*)

Questions.
Government orders.
(*From six to seven o'clock p.m.—Private Members' Business*)
Notices of Motions.

(*Tuesday*)

Government orders.
Questions.
(*From six to seven o'clock p.m.—Private Members' Business*)
Private bills.
Public bills.

(*Wednesday*)

Questions.
Notices of motions for the production of papers.
Government orders.
(*From five to six o'clock p.m.—Private Members' Business*)
Notices of motions.
Public bills.

(*Thursday*)

Government orders.
Questions.
(*From six to seven o'clock p.m.—Private Members' Business*)
A. On the first and each alternate Thursday thereafter:
Notices of motions (papers).
Private bills.
Public bills.

B. On the second and each alternate Thursday thereafter:
Private bills.
Notices of motions (papers).
Public bills.

(*Friday*)

Government orders.
Questions.

(*From five to six o'clock p.m.—Private Members' Business*)

Public bills.
Private bills.

(4) When a debate on a motion "That Mr. Speaker do now leave the Chair" for the House to go into Committee of Supply is in progress at 6:00 o'clock p.m. on either a Monday or a Tuesday, the order for Private Members' Business on that day shall be suspended.

4. That Section (2) of Standing Order 31 be amended to read as follows:

Standing Order 31, Section (2)

31. (2) When the business of Private Members is being considered, no member shall speak for more than twenty minutes at a time.

5. That Section (5) of Standing Order 39 be enacted to read as follows:

Standing Order 39, Section (5)

39. (5) Before the Orders of the Day are proceeded with, questions on matters of urgency may be addressed orally to Ministers of the Crown, provided however that if in the opinion of Mr. Speaker a question is not urgent, he may direct that it be placed on the Order Paper, provided also that the time allowed for a question period prior to the calling of the Orders of the Day shall not exceed thirty minutes.

A member who is not satisfied with the answer given to a question asked on any day at this stage, or a member who has been told by Mr. Speaker that his question is not urgent, may give notice that he intends to raise the subject-matter of his question on the adjournment of the House. The notice referred to herein, whether or not it is given orally during the question period before the Orders of the Day, must be given in writing to Mr. Speaker not later than 5:00 o'clock p.m. the same day.

6. That the Standing Orders be amended by adding thereto a new Standing Order 41-A, to read as follows:

Standing Order 41-A

41-A. Unless notice of motion has been given under Standing Order 41, any member proposing to raise a question of privilege other than one arising out of proceedings in the Chamber during the course of a sitting shall give to the Speaker a written statement of the question at least one hour prior to raising the question in the House.

7. That Standing Order 43 be amended by adding thereto a new Section (2), to read as follows:

Standing Order 43, Section (2)

43. (2) When debate on any motion made under Standing Order 15 (2) is adjourned or interrupted, the order for resumption of the same shall be transferred to and considered under Government Orders.

8. That Standing Order 44 be amended to read as follows:

[Mr. Deputy Speaker.]

Standing Order 44

44. When a question is under debate no motion is received unless to amend it; to postpone it to a day certain; for the previous question; for reading the orders of the day; for proceeding to another order; to adjourn the debate; to extend the sitting of the House; or for the adjournment of the House.

9. That Section (4) of Standing Order 59 be amended to read as follows:

Standing Order 59, Section (4)

59. (4) The Chairman shall maintain order in the Committees of the Whole House, deciding all questions of order subject to an appeal to Mr. Speaker; but disorder in a committee can only be censured by the House, on receiving a report thereof. No debate shall be permitted on any decision.

10. That Standing Order 65 be amended to read as follows:

Standing Order 65

65 (1) At the commencement of each session, a special committee, consisting of seven members, shall be appointed, whose duty it shall be to prepare and report, with all convenient speed, lists of members to compose the following standing committees of the House:

(*a*) on Agriculture, Forestry, and Rural Development, to consist of 45 members;
(*b*) on Broadcasting, Films and Assistance to the Arts, to consist of 22 members;
(*c*) on Crown Corporations, to consist of 22 members;
(*d*) on External Affairs, to consist of 22 members;
(*e*) on Finance, Trade and Economic Affairs, to consist of 22 members;
(*f*) on Fisheries, to consist of 22 members;
(*g*) on Health and Welfare, to consist of 22 members;
(*h*) on Housing, Urban Development and Public Works, to consist of 22 members;
(*i*) on Human Rights and Citizenship and Immigration, to consist of 22 members;
(*j*) on Industry, Research and Energy Development, to consist of 22 members;
(*k*) on Justice and Legal Affairs, to consist of 22 members;
(*l*) on Labour and Employment, to consist of 22 members;
(*m*) on Miscellaneous Estimates, to consist of 22 members;
(*n*) on Miscellaneous Private Bills, to consist of 22 members;
(*o*) on National Defence, to consist of 22 members;
(*p*) on Northern Affairs and National Resources, to consist of 22 members;
(*q*) on Privileges and Elections, to consist of 22 members;
(*r*) on Public Accounts, to consist of 24 members;
(*s*) on Standing Orders, to consist of 22 members;
(*t*) on Transport and Communications, to consist of 22 members; and
(*u*) on Veterans Affairs, to consist of 22 members.

(2) The Special Committee shall also prepare and report with all convenient speed, lists of members to compose the following standing committees:

on Printing, to act as members on the part of this House on the Joint Committee of both Houses, on the subject of the printing of Parliament, to consist of 23 members;

on the Library of Parliament, so far as the interests of this House are concerned, and to act as members of the Joint Committee of both Houses, to consist of 21 members;

provided that a sufficient number of members of joint committees shall be appointed so as to keep the same proportion in such committees as between the memberships of the House of Commons and Senate.

(3) A majority of the members of a standing committee shall constitute a quorum unless the House otherwise orders;

Provided that, in the case of a joint committee, the number of members constituting a quorum shall be such as the House of Commons acting in consultation with the Senate may determine.

(4) The Standing Committees shall be severally empowered to examine and enquire into all such matters and things as may be referred to them by the House; to report from time to time their observations and opinions thereon; to send for persons, papers and records; and to print, from day-to-day, such papers and evidence as may be ordered by them, and Standing Order 66 shall not apply in relation thereto.

(5) Any member of the House of Commons who is not a member of a standing committee, may unless the House or the standing committee otherwise orders, take part in the deliberations of the standing committee, but shall not vote or move any motion or any amendment or be counted in the quorum.

11. That Standing Order 99 be amended to read as follows:

Standing Order 99

99. No Bill for the incorporation of a railway or canal company, or for authorizing the construction of branch lines or extensions of existing lines of railways or of canals, or for changing the route of the railway or of the canal of any company already incorporated, shall be considered by the Committee on Transport and Communications, until there has been filed with the committee, at least one week before the consideration of the bill, a map or plan drawn upon a scale of not less than half an inch to the mile, showing the location upon which it is intended to construct the proposed work, and showing also the lines of existing or authorized works of a similar character within, or in any way affecting the district, or any part thereof, which the proposed work is intended to serve; and such map or plan shall be signed by the engineer or other person making the same.

12. That Standing Order 105 be amended to read as follows:

Standing Order 105

105. Every private bill, when read a second time, is referred to one of the standing committees as follows: bills relating to banks, insurance, trade and commerce and to trust and loan companies, to the Committee on Finance, Trade and Economic Affairs; bills relating to railways, canals, telegraphs, canal and railway bridges, to the Committee on Transport and Communications; the bills not coming under these classes, to the Committee on Miscellaneous Private Bills, and all petitions for or against the bills are considered as referred to such committee.—

At one o'clock the committee took recess.

AFTER RECESS

The Committee resumed at 2.30 p.m.

The Deputy Chairman: Order. House again in Committee of the Whole on a certain proposed resolution to amend the Standing Orders. Last evening when the Committee rose we were discussing paragraph 6.

Mr. Cowan: Mr. Chairman, last evening when ten o'clock rolled around I was commenting on section 6 of the resolution regarding the rules and procedures of the House. I was pointing out that while I had not intended to comment on this recommendation of the Government, I felt impelled to rise in view of some comments which had been made by the hon. Member for Prince Albert last Tuesday when he was speaking on the rules and procedures, and at which time direct reference was made to myself. You may remember that I recalled that on May 28 I had asked the Minister of Justice a question about whether his Department or the Cabinet had ever given consideration to making it illegal for mass communication media to mention names of accused before they are convicted. As reported at page 1769 I remarked:

> Personally, I do not believe they should be mentioned by name until a conviction has been registered—

Yesterday I indicated that the Minister had given a straightforward answer. His reply was:

> I must say, Mr. Speaker, that this...is one of the questions which I have under very serious consideration...
>
> But there is also such a thing as respect for the freedom of the individual and in the case of juveniles the regulation already exists in the Criminal Code that their names must not be disclosed in the papers. Surely this is not an interference with the freedom of the press.

• (2:40 p.m.)

I commented last night that a straightforward question on a simple point of practice in the mass communication field had been blown out of all proportion, by people with financial interests in the mass communication field, into an interpretation that this is an attack on the freedom of the press. I have never seen such exaggeration in such a short period of time. I rise to point out that this question is not dead and it will not be killed. The hon. Member for Prince Albert in speaking last Tuesday made the statement:

> —it was only as a result of publicity that this announcement found its way into the limbo of forgotten things.

When he refers to the announcement he means the remarks passed by the Minister of Justice in reply to my question. I can assure you here and now that this matter has not found its way into the limbo of forgotten

things. It is quite interesting to me that the hon. Member for Lafontaine, who sits to my left, on numerous occasions in the past has introduced private bills on this very point, and right now in your binder for private bills, Mr. Chairman, you will find Bill No. C-90 in which the hon. Member for Lafontaine is seeking to amend the Criminal Code so that there will be a restriction of publication of proceedings. He does not say the elimination of the publication of proceedings; he talks about the restriction of publication of proceedings; and in the explanatory notes it is stated that the purpose of the proposed amendments are:

(2) to eliminate the unfortunate results of judicial errors.

Included in that is the case of people being accused of offences of which they are later acquitted or found not guilty, and to prevent their names being dragged all over the universe because they have been falsely accused in the first place. I commend the integrity of the Member for Lafontaine in getting behind this bill of his, which he has been urging in season and out of season for some time.

Further down on this side of the House we find the hon. Member for Norfolk. He has on the order paper private Member's notice of motion No. 15, introduced in this House on April 6, long before I asked the question on May 28. The hon. Member for Norfolk under private Members' notices of motions moves:

That, in the opinion of this House, the Government should consider the advisability of amending the Criminal Code so that an accused person who is eventually found not guilty—

In other words, so as to provide that a person who has been unjustly kept in custody and is afterwards acquitted may be paid his costs, expenses and compensation. I bring forward these examples to show you that the thinking of the nation is along the lines that accused people who are subsequently found not guilty are not being treated fairly in this country of ours today, despite all the uproar in the press about freedom of the press.

The hon. Member for Norfolk is not in the Chamber, but I will take the liberty of saying to you that he is interested in this question because of comments that have been made to him over the years by a Judge in western Ontario who has commented on more than one occasion privately on the injustice to accused persons who are later found not guilty, having their names dragged all over the front pages of the newspapers, blasted over the radio waves and exposed on television screens when they have done no wrong.

[Mr. Cowan.]

The Judge gives a certain example of a man who was held for two years in a county jail and was later acquitted of the charge. No compensation was given to the man, and his name was broadcast all over the countryside simply because an accusation had been made against him.

Last Saturday an article appeared in the Montreal *Star* following the comments that had been made in this House by the Minister of Justice and the right hon. Prime Minister, both of whom I commend for their statements and attitude on this question. The article, by one Leslie Roberts, in the centre contains this phrase:

The disjointed discussion of press freedom in the House may be a tempest in a teapot.

First of all, I wish Mr. Roberts would get this matter straight. There has been no disjointed discussion of press freedom in this House. There may have been a disjointed discussion of the freedom of the individuals in this House, but there has been no discussion of press freedom. The same writer refers to the Prime Minister's remarks of June 1 as being "an odd intervention". I personally wish to commend the Prime Minister for having answered the hon. Member for Pontiac-Témiscamingue, who on June 1 directed a question to the Minister of Justice.

I have already stated that the Minister of Justice gave a straightforward answer on May 28, one that any man of compassion and religious convictions will support wholeheartedly, when he said that the right of the individual, the freedom of the individual, takes priority over freedom of the press. On June 1 the Prime Minister stands up—

Mr. Fairweather: Mr. Chairman, I rise on a point of order. We have a very short day today. I like the views, sometimes, of the hon. Member for York-Humber, but surely we are entitled to get to the point, which is the acceptance of the two resolutions before us. The Justice estimates are coming before the committee some time, and we can discuss the ramifications of the hon. Member's problem then.

The Deputy Chairman: Order. I think the point of order raised by the hon. Member for Royal is well taken, and I would have to ask the hon. Member for York-Humber to confine his remarks as closely as possible to paragraph 6 of the resolution before the committee.

Mr. Cowan: I am confining my remarks as closely to paragraph 6 as the hon. Member for Prince Albert confined his remarks to

the resolution under discussion on June 1. This has been the first opportunity I have had to comment on the remarks then made.

I prefaced my remarks last night by pointing out that the Prime Minister had commented on the fact that the ambit of the discussion was such that he could bring up some matters in a general way, and I stated that I am speaking on a question of privilege, because in paragraph 6 it is said:

That the Standing Orders be amended by adding thereto a new Standing Order 41-A, to read as follows:

Standing Order 41-A

41-A. Unless notice of motion has been given under Standing Order 41, any member proposing to raise a question of privilege other than one arising out of proceedings—

And so on. I said last night before ten o'clock that I took my cue from the hon. Member for Saint John-Albert, who yesterday rose and asked a question because, he said, of the short time we are going to be allowed for questions in the future. I believe that paragraph 6 deals with this question, because I am raising the matter of a question of privilege and perhaps in the future I will not have the same opportunity that I have now under the present rule. I am discussing paragraph 6, Mr. Chairman. Paragraph 6 refers to questions of privilege; and I was mentioned deliberately by the speaker the other day, June 8, and am replying under the same umbrella terms as those he was making his remarks under. I stated that the Prime Minister had rejected himself into the question period when the hon. Member for Pontiac-Témiscamingue addressed remarks to the Minister of Justice, and Right Hon. L. B. Pearson—

Mr. Starr: Mr. Chairman, I rise on a point of order. I have very affectionate feelings for the hon. Member for York-Humber and I know he is trying to get under an umbrella. But that umbrella is getting so big that he will not be able to hold it up. Standing Order 41 only amends the rule with regard to a question of privilege in that a Member who wishes to raise a question of privilege prior to the Orders of the Day must give to the Speaker a written statement of the question at least one hour prior to raising the question in the House. That certainly does not give the hon. Member an opportunity, at this point in the debate, to raise matters of questions of privilege at all. I appreciate that he would like to have the same opportunity that was afforded at the beginning of both these resolutions to the right hon. Prime Minister and the right hon. Leader of the Opposition and others. But that was a discussion in general terms before we began considering these resolutions paragraph by paragraph. We are now discussing them paragraph by paragraph, and I think the discussion should be confined entirely to the subject matter dealt with in the paragraph.

Mr. Cowan: Mr. Chairman, perhaps you would allow me to quote from *Hansard* of June 8, page 2106:

Mr. Diefenbaker: No. The suggestion came from the hon. Member for York-Humber—

That happens to be myself; that happens to be a direct reference in this discussion of the rules and procedure. I believe that on the other side of the fence I have the right to answer when direct references are made to myself.

Mr. Starr: Not at this point.

Mr. Cowan: I was quoting the Prime Minister—

The Deputy Chairman: Order. I must remind the committee that we are on paragraph 6, which deals with the method of raising a question of privilege other than one which comes up in the usual course of debate. The question before the Committee is the manner of proceeding in order to raise a question of privilege. It has nothing to do with any actual question of privilege. Again I would have to ask the hon. Member for York-Humber to remain within the terms and limits of paragraph 6, particularly since the Committee has already agreed to discuss this resolution paragraph by paragraph.

• (2:50 p.m.)

Mr. Cowan: Mr. Chairman, would you allow me the indulgence of referring to the hon. Member for Ontario who remarked a moment or two ago that he and I were disposed to be friendly to each other. I have had some association with the press but I believe it is not generally known that the first time I ever met the hon. Member for Ontario was when we were both fellow employees of the Oshawa *Daily Reformer*. It was the *Reformer* in those days, not the *Times*. I regret very much that it changed its name, but on the other hand it changed its name when it changed its purpose in life because under the Mundy estate which employed the two of us it was a real reform paper. Today, under a Conservative owner whom I will not name at the moment, it has changed its purpose. The *Times* is a much better name for it as it

does not express itself as freely and as forcibly as it did when the hon. Member for Ontario and I had a little influence in the organization.

An hon. Member: Order.

Mr. Cowan: Mr. Chairman, I am trying to confine myself to this question of privilege but I am speaking now under the present rules of the House. I want to see Standing Order 41A amended and section 6 adopted. I said so last night. But I also want to point out the unfairness of remarks made here in a discussion of rules and procedures on June 8. I intend to persist in that objective unless I am ordered down, because I am speaking on a question of privilege.

An hon. Member: You have been ordered down twice.

Mr. Cowan: I might state that the Prime Minister said he was looking into the question of securing the rights of individuals when false charges were made against them. He went on to say, as found on page 1825 of *Hansard* for June 1:

> The House can be assured that there is no possibility of any Government or any Government Department interfering with the important principle of the freedom of the press to report the news in accordance with the law.

This is a straightforward statement of the privileges of individuals in this country, and I am proud to be associated with men of the stature of the Minister of Justice and the Prime Minister in the stand they have taken on that score. But what do we find in this article in the Montreal *Star* of last Saturday, June 5?

Some hon. Members: Order.

The Deputy Chairman: Order.

Mr. Fairweather: This is completely unfair to the House.

The Deputy Chairman: I must remind the hon. Member again that the question before the House is not one of privilege either for Members of the House or for Canadians in general. We are dealing with the manner in which a question of privilege can be raised in the House, and that is the only item before the Committee at the moment.

Mr. Cowan: Mr. Chairman, I would point out, as I said before, that this is not a discussion of freedom of the press but a discussion of freedom of the individual, and when I have been specifically mentioned on June 8 I believe I should have the opportunity to make some comments in reply to the speech made at that time.

Some hon. Members: No.

Mr. Starr: Mr. Chairman, in order to expedite the business of the House I wonder whether the hon. Member for York-Humber would yield his place to the President of the Privy Council, the Government House Leader, in order that he may move some very important amendments before the time for this debate comes to an end?

Mr. Cowan: At the request of the President of the Privy Council, yes, but not at the request of the present Acting Leader of the Opposition.

Mr. McIlraith: Mr. Chairman, without my asking for leave I wonder whether the hon. Member would do that? I want to thank him for his courtesy. Is it agreeable to him?

Mr. Cowan: Mr. Chairman, I have not yet yielded to the request of the President of the Privy Council—

Mr. Starr: Who is yielding what?

Mr. Cowan: —but before I resume my seat, in order to co-operate in passing this forward looking legislation introduced by the Liberal party, which we will adopt before five o'clock, may I say that the question I raised with the Minister of Justice had nothing to do with freedom of the press but rather freedom of the individual. I am glad to know that the Prime Minister and the Minister of Justice agree with me on this score. It is because we are men of that belief that we are Liberals together, and I am willing to yield the floor to the President of the Privy Council.

Mr. McIlraith: Mr. Chairman, I want to thank the hon. Member for York-Humber, so that it will be on record. I move:

> That Section 2 of the proposed Standing Order 43 be amended to read as follows:
>
> "When the debate on any motion under Standing Order 15, section 2, is adjourned or interrupted the order for resumption of the same shall be transferred to and considered as the first Order under Government orders."
>
> That section 2 of Standing Order 18 be amended to read as follows:
>
> "Except as provided in Standing Orders 43 and 56, Government Orders may be called in such sequence as the Government may see fit".
>
> That Section 1 of the proposed Standing Order 65 be amended by striking out the words "with all convenient speed", and substituting therefor the words "within ten sitting days after its appointment", and by striking out the number "22" where it appears therein and substituting therefor the number "24".

That a new Standing Order 68A reading as follows,

"In any standing or special committee of the House questions of order shall be decided by the Chairman, subject only to an appeal to the committee",

be added.

That the amendments to Standing Orders made by this Resolution be continued in effect until the end of the next ensuing session unless this House otherwise orders.

Hon. Members will have noticed that this is exactly in accordance with the statement I made last night as it appears on page 2244 of *Hansard*. I am moving this one motion in order to get the amendments before the Committee in total at this stage. If there is any question about different parts of the amendment, I might answer them as the clauses are called.

Mr. Knowles: Mr. Chairman, I should like to make a suggestion. Briefly, I suggest that the Committee might agree at this moment to pass this omnibus amendment. The reason I suggest this will be obvious. If other Members have amendments to move to any other paragraphs, we will get into all kinds of procedural difficulties should they have to move subamendments. On the other hand, each of the items in the omnibus amendment that the President of the Privy Council has now moved is the result of negotiations and I think all of them are universally acceptable.

The Chairman: Is this agreed?

Some hon. Members: Agreed.

The Chairman: The Committee has heard the amendment moved by the President of the Privy Council. Shall the amendment carry?

Amendment (Mr. McIlraith) agreed to.

• (3:00 p.m.)

Mr. Fisher: Mr. Chairman, I want to make one brief point in connection with section 6. It has been a tradition in this House that on certain occasions Members rise on questions of privilege and introduce complimentary remarks. For example, I remember that one Member had a constituent who had won a highland fling dancing competition in Scotland. I can remember we have had long, complimentary and very poetic expressions of appreciation for Taras Shevchenko, the great Ukrainian poet, for the Trail Smokeeaters and a whole parade of people. I would assume one of the consequences of this particular motion would be the understanding that points of privilege in that connection are just really an excuse to open up some kind of complimentary remarks about some individual, some organization or some particular ethnic group will come to an end. I just wanted to make this point and bring it to the attention of my fellow Members.

It has always seemed to me that this kind of honorific cause opened up by a point of privilege has tended to drag out our proceedings on occasion, and it is almost impossible for any individual Member of Parliament to object to it. I can remember the tributes to Taras Shevchenko went on interminably one morning a few years ago, but none of the Members was brave enough to stand up and suggest that, with all due consideration to that great Ukrainian poet, it was a little bit much when we were getting 20 minute tributes to him at the very time when we were busy. I just wanted to make that particular point.

Mr. Fairweather: You had better except the Canadian mother of the year.

Mr. Fisher: The hon. Member raises a good point. We have had recognition of the Canadian mother of the year, and I think, once, some Canadian newsboy. I am still waiting for the time when we will get Miss Canada or some other bathing beauty or figure skater into the gallery, as we have in past years, and some recognition for all these sports figures.

The Chairman: Does this conclude discussion on Clause 6? Is Clause 7 agreed to? Is Clause 8 agreed to? Is Clause 9 agreed to? Is Clause 10 agreed to?

Mr. Baldwin: This is the clause, I assume, that actually sets up the new nomenclature of the committees. I have an amendment to propose and in order to relate my remarks to this amendment I may say it will simply be to add after paragraph (*u*) an additional one, to be called paragraph (*v*), on Delegated Authority. In support of this amendment I want to refer to the first statement made by the Prime Minister when he was speaking in the House on March 18 of this year on this question of the Committees system. He used these words as they appear at page 12544 of *Hansard*, after having dealt with the increasing strength of the Executive and the weakness of the legislative branch of our Government:

This is a situation which has occupied the attention of all students of democratic parliamentary institutions in recent years, because with the executive you have not only the cabinet but you have behind the cabinet, a growing body of expert

officialdom which is inevitably becoming more and more important as government becomes increasingly complex.

Later, he said:

Could we strengthen the legislature by deepening and broadening the committee structure? There are some recommendations in this report which, I believe, when implemented may well have this effect. I hope so.

The right hon. gentleman was referring to the 18th report, I believe, of the committee on procedure. However, when the right hon. gentleman was speaking on the debate which initiated this particular discussion, he did not go as far as he had previously. He then said, in response to a question, that he did not believe a Standing Committee on Delegated Authority was necessary, and he stated two reasons. In the first instance, he said, there is consideration being given to setting up a Royal Commission to inquire into the necessity for an ombudsman. Second, he thought the committees, as constructed and set up by this particular section we are discussing, would provide an opportunity to examine into the very dangerous situation which prompted me to move this amendment. I refer to the very increasing extent to which Government, particularly the Executive Branch of the Government, is operating with the aid of Orders in Council. I cannot accept this statement by the Prime Minister.

In the first place, if a Royal Commission does recommend the establishment of an ombudsman, and if in its infinite wisdom Parliament does decide such an officer is required, it is my submission, as a result of evidence given by the New Zealand ombudsman and as a result of discussions that have taken place in committee with an ombudsman, that without a Parliamentary Committee to which he can bring his recommendations and the grievances which are brought to his attention, he is in a very invidious position. I am not going to add any more because it is not pertinent, but I have quoted these observations to stress the importance of this question, in answer to the Prime Minister's objection to setting up a Committee on Delegated Authority. The experience in connection with ombudsmen has been that they are unable to obtain action in respect of grievances brought to their attention unless there is a committee of this nature to deal with them. I submit this is an ample answer to the Prime Minister.

Then, so far as the committees which we have now are concerned, it is my submission that these committees will concern themselves almost exclusively with the question of estimates and legislation which will come before them. These will be the primary functions. There is no question about it. I submit that a committee which would have the opportunity to deal with the issue of delegated authority, particularly the effect of Orders in Council and improper action taken under Orders in Council, is a very essential part of the parliamentary system at this time.

I am not going to say anything more than that, because time is short and there are a lot of other matters to be dealt with. I urge the Government to give most serious consideration to this particular issue. I think this is one of the most important parts of the rule changes, the establishment of a new form of these committees. If we fail to carry out the ancillary step of having a Committee on Delegated Authority, we are not meeting out responsibilities at this time.

Mr. Fairweather: I want to support the hon. Member for Peace River. This recommendation had its foundation, in so far as this Parliament is concerned, in the Special Committee on Procedure and Organization. I suppose it is one reason that the Government did not see fit to establish it. We unanimously accepted this proposal and a Member of the Government, the Minister of Labour, was a part of that committee. We were quite disappointed when the resolution before us omitted this unanimous recommendation.

• (3:10 p.m.)

This is the very problem I tried to outline in a widely reported speech which I made the other night. It was so widely reported that I will repeat a paragraph taken from an essay in the London *Observer* of May 2, 1965, by Bernard Crick:

—far too little time is spent in scrutiny and investigation. Both the Front Benches are content to keep M.P.'s busy with niggling detail: for what rightly interests the public however much it may embarrass the party leaders, is general debate about future policy or about the competence of the administration.

More use should be made of specialized committees of scrutiny and investigation.

Then, because I am seeking the support of the N.D.P. for this proposal, I would like to cite the *Socialist Commentary* of July 1964 —"Three dozen parliamentary reforms by one dozen parliamentary Socialists." I say to the N.D.P. that the Socialists in Britain made this proposal.

Mr. Cowan: Are you addressing the N.D.P. or the Chair?

Mr. Fairweather: Is that a question from the hon. Member for York-Humbug?

Mr. Cowan: I am asking whether you should not be addressing the Chairman instead of one special party in this Chamber?

Mr. Fairweather: I have already said that this recommendation received the unanimous support of the Special Committee on Organization and Procedure, of which the Minister of Labour was a member, and when the recommendations for parliamentary reform came to Parliament I was somewhat surprised to see that this fundamental part of the committee set-up was left out. It is surely a strange commentary on a Liberal administration that boasts so much about parliamentary reform.

The Chairman: Order. Perhaps I should put the amendment put by the hon. Member for Peace River. The amendment as moved by the hon. Member was slightly incorrect as to form and, with his permission, I will read it duly corrected:

That subclause 1 of proposed Standing Order 65 be amended by adding after (*u*) the following: "(*v*) on Delegated Authority."

There is a question in my mind as to whether this amendment is correct because it does not give the number of Members, which would appear to be inconsistent with the conventions whereby this type of committee always has a specific number of Members in the order setting it up. On the other hand, if no formal objection is made to the amendment, it will be accepted by the Chair.

Mr. Baldwin: I had assumed the Government would have rushed forward immediately to accept the amendment, adopt it as its own, and establish the number of Members. With unanimous consent I would add the words, "to consist of 24 members," and if the committee does not give me unanimous consent, then I am sure my hon. friend and learned colleague from Royal would be glad to propose a subamendment.

Mr. McIlraith: I think there would be unanimous consent to read it as if the words "to consist of 24 members" were included.

The Chairman: Then it will read "on delegated authority, to consist of 24 members."

Mr. Lambert: I wish to say a few words in support of the amendment. Not only had this the unanimous support of the Members on the Procedure Committee, but in the Subcommittee on Committee Structure it had the vociferous support of the Liberal participants in that committee.

Miss Jewett: We still support it.

Mr. Lambert: Fine. Like my colleague, I was very surprised that this suggested committee had not been included in the Government's proposals. The purpose of such a committee is self-evident.

No committee on estimates has the powers to take a ministry through its delegated legislation. It has no power to go through the Orders in Council passed by the Privy Council, to see that powers have not been exceeded in cases where, for example, the Governor in Council has been granted powers to make regulations. The committee should have power to see that those regulations are not back-dated prior to the legislation granting the powers, and that no regulatory body is empowered to incur expenses which it has no right to incur.

The pattern of Government in this country, as in others, has grown bigger and bigger and become much more complicated. I cannot agree with the proposition of the Prime Minister that a Royal Commission may be set up—mark you, may be set up—to look into the establishment of an ombudsman. I do not think an ombudsman can put his nose into everything on a voluntary basis. He may act on a complaint, but he is not a general review officer of Government activity.

Mr. McIlraith: Would the hon. Member not agree that the Prime Minister, in dealing with this subject and explaining why the committee was not proposed, went further in dealing with the subject of an ombudsman and went on to discuss the whole question of administrative tribunals?

Mr. Lambert: That may be so, but I am not taken with this argument about an ombudsman, because I do not think such an official would accomplish anything of this nature. What Parliament is concerned with is that the carte blanche powers it has granted to the Governor in Council, or to some board, are not exceeded. This is a fundamental feature of the examination of the activities of the Government, that Parliament, through an all-party committee, may review the regulations and pertinent Orders in Council that have been passed. At the moment we are not in a position to do so.

For that reason I think such a committee would benefit the Government because, if the Government comes through such an examination cleanly, it can be satisfied its administration is good. It would remove any suggestion that there has been some excess, and from the point of view of the Opposition

there is always the chance that peradventure some excess has been committed.

I am sorry the Government did not see fit to be as reform minded and as drastic as the Committee on Procedure in this regard. I know it will be a big job to staff the committee structure, but on the other hand I do not think a Committee on Delegated Legislation would need to sit year around. Perhaps for the first year it might; but after that it would probably operate for relatively short periods of time.

The President of the Privy Council mentioned administrative tribunals. These have to deal with the relationship between the public and the Government. A Committee on Delegated Legislation would look into the relationship between Parliament and the Government, and the powers granted to Government by Parliament.

• (3:20 p.m.)

The two things are entirely different and therefore, with the greatest respect to the Prime Minister, let me say I do not think his arguments were pertinent to the question. I therefore solicit the support of Members on all sides of the House. This was put forward in the committee in the true spirit of non-partisanship. It was one of the strongest recommendations made, and I heartily commend it to all hon. Members and invite their acceptance of it.

Mr. McIlraith: I am interested in the amendment put forward this afternoon and more specifically in the terms in which it is put forward. I say this because when the committee on procedure made its report—and I regret I do not have that report here with me at the moment—the language used in dealing with this subject was perhaps not as clear as that which has been used today. The report itself raises a much broader subject than the particular one of delegated authority. I note that in discussing this question today the two hon. gentlemen concerned confined themselves to the question of an examination of the use of authority delegated by legislation. They did this very specifically and very clearly, if I may say so. There is undoubtedly a problem developing in this field as it concerns modern legislative bodies. This arises from the very nature of the increase in Government regulatory legislation of one sort or another; there is increasing delegation of authority and an increasing need for vigilance to ensure that an administrative body does not exceed its authority.

[Mr. Lambert.]

Regrettably, as I say—and I believe that if hon. Members would look at this report they would agree with me—the language used by the committee in this case did not express the proposal clearly. I have spent a great deal of time upon the report. I wish I had it here, because it dealt, in essence, with a much broader subject, and, if I may say so without offending anybody—especially as this is sometimes one of my own shortcomings—the recommendation is not as precise in its language as it might have been. I hope the author will not take offence at that remarks; I do think a review of it, now, would illustrate the point I have in mind.

As to the remarks made in the reference by the Prime Minister to this subject of an ombudsman, it is certainly not my view, nor I believe his view, that it is the function of an ombudsman to check on the improper use of delegated authority. It is not any part of his function, although he may, by the nature of his work, be called upon to deal with the point incidentally. If the ombudsman were to point out an abuse or excessive use of delegated authority, it would be incidental to his work rather than a direct part of his responsibility.

But where the possibility of abuse of delegated authority lies is largely with administrative tribunals, and this was the point of the Prime Minister's remarks. A Commission to enquire into administrative tribunals is being set up, and this is the root of the explanation why a Standing Committee was not provided for.

It will be recalled that the question of administrative tribunals was not dealt with in the Glassco Commission report. Work on this was started and then discontinued. There is, as I believe hon. Members will agree, a real need for an examination of this subject generally. I think lawyers in all the law associations I know of across this country have agreed on such a need. It seems to me it would be wrong on the one hand to have a standing committee of the House of Commons dealing with the subject of delegated authority at the same time as a commission was dealing with administrative tribunals. The commission will presumably be asked to make recommendations as to what should be done by way of safeguards in this field. Suppose the two bodies were sitting concurrently—the commission and the committee—one can imagine the difficulties which would arise if the commission were to recommend that the Parliamentary committee be discontinued as ineffec-

tive. It would surely not be a good idea to have the two bodies sitting at the same time.

There is one other consideration which entered into the decision not to include this committee—

I see the hon. Member for Edmonton West has a question he wants to ask.

Mr. Lambert: I wonder whether the President of the Privy Council would not agree there is a fundamental distinction between the functions of a committee and the functions of an administrative tribunal which does not take the annual volume of regulations, and so on, and review them and declare them on a hypothetical basis to be ultra vires, for instance. An administrative tribunal will deal with those matters brought before it on appeal by citizens or as a result of certain legal steps which might be taken by municipal or Government bodies. Those are administrative tribunals. No administrative tribunal exists, I suggest, which would take note of all the delegated legislation and the regulations made under it and review them. And this is the purpose of the committee.

Mr. McIlraith: I quite agree as to the difference between a committee and a commission, but I want to point out that one of the large areas in which there may be abuse, if there is abuse, is likely to be abuse of delegated authority by administrative tribunals. It seems unrealistic when investigating this matter through a commission to have a committee investigating this and other aspects of delegated authority at the same time. That is my point.

The other important factor which entered into the decision not to include this new standing committee is this: It will be seen from the old Standing Order No. 65 that there were some 14 standing committees. In this present revision of House procedures we have proposed 21 standing committees. Hon. Members who examine the list will notice the reference to forestry and rural development for the first time. They will see there is a new Standing Committee on Broadcasting and Films, an important new field. There is a Committee on Crown Corporations. Over the past 10 or 15 years there has been a constant demand for a Standing Committee on Crown Corporations for reasons which I need not elaborate here, except perhaps to say that if they do not get a direct vote in the estimates there is really no way in which their operations can be examined by the House. This new committee was added. A Standing Committee on Housing and Urban Development was established to deal with this most important field of activity.

Mr. Lambert: Just the Public Works Committee.

Mr. McIlraith: Well, there was no Public Works Committee under the former Standing Orders. I think this is new. Then there is a Standing Committee on Industrial Research and Energy Development. With the tremendous breakthrough in the whole field of research activity and energy development I think Members will agree it is desirable for this new activity to be examined by a standing committee of the House.

• (3:30 p.m.)

Perhaps the hon. Member for Winnipeg South Centre would agree with me, in referring to the activities of the Government in the field of research and energy development, that it is highly desirable that we have a standing committee on this subject. I might say I have had the privilege and opportunity of serving with him in some fairly active roles in connection with some areas of research and energy development.

Then there is the new Committee on Justice and Legal Affairs. Perhaps the Committee on Transport and Communications is more a change in description than a new committee.

It will be seen that if the new activities and the new provisions for these standing committess are to be fully met a tremendous addition to the work of the committees is involved. There is a 50 per cent increase in the number of standing committees, and if examined in terms of work envisaged then there will be a like increase in the area of consideration, if I can use that term, upon which the committees will be engaged. But at the same time as we have enlarged the activities of the standing committees—and here is the essential point—we have arranged to refer the estimates of the House of Commons to the committeee so that Members will have an opportunity to examine the administration and expenditures of the various departments.

For that reason, as well as the earlier reason which I gave, we came to the view that it was both premature and unrealistic to add the Committee on Delegated Authority at this time. However, there was no rejection of the idea that the subject matter of delegated authority in any responsible parliament does

require better techniques for examination in the years ahead. In other words, there was no repudiation of the idea, but after a good deal of consideration and discussion there was what I might say a rejection of the suggestion that such a standing committee should be provided at time when we are making a rather substantial breakthrough in the whole treatment and structure of committees, with the consequent provision of a tremendous increase in the work to be assigned to them.

I would hope that in light of that explanation the amendment will not be pressed at this time until the Commission on Administrative Tribunals has had an opportunity to report.

Mr. Olson: Mr. Chairman, I want to rise briefly to say that I support the amendment that has been moved by the hon. Member for Peace River. It seems that the President of the Privy Council is agreeing to it; at least he certainly agreed with the principle that there was a need for the kind of function which this committee would perform.

When the President of the Privy Council began his remarks he said he did not have the committee report before him, but that their report was substantially different from the account given by the hon. Member for Peace River and the hon. Member for Edmonton West. I have in front of me the report and would like to read one short paragraph from it. I think this point was gone over very carefully by the Special Committee on Procedure and Organization, which came to the unanimous decision that this committee should have been included. The report says of the Standing Committee on Delegated Legislation.

> The function of this committee would be to act as a "watchdog" over the executive in its use of the powers conferred by statute, with the duty of reporting to Parliament any tendency on the part of the executive to exceed its authority. The committee's terms of reference should exclude it from considering the merits of or the policy behind delegated legislation, but it would be expected to draw the attention of Parliament to any regulations or instruments which impose a charge on public revenues, which confer immunity from challenge in the courts, which have an unauthorized retroactive effect, which reveal unusual or unexpected use of a statutory power, or which otherwise exceed the authority delegated by the parent statute.

Mr. McIlraith: Would the hon. Member permit a question. Could he give me the reference to the committee report in *Votes and Proceedings*?

[Mr. McIlraith.]

Mr. Olson: What I have before me, Mr. Chairman, is the mimeographed copy of the report which was filed on December 14, so I suppose it appears in *Votes and Proceedings* at about that time.

Mr. McIlraith: What is the number of the report?

Mr. Olson: It is the fifteenth report.

Now, Mr. Chairman, I disagree that the function of a Committee on Delegated Authority would be the same as that of an ombudsman. This committee would have no authority whatever to delve into the reason behind policy, as the committee stated in its report. Its purpose would be to see that the authority delegated by Parliament to the Executive or any boards or tribunals or branches of any of the departments is not exceeded by way of regulation, and interpretation of such regulation, beyond that authority granted by the parent statute.

We know, Mr. Chairman, there are certain statutes and amendments to statutes which pass through parliament, to which regulations are later attached. Sometimes the practical application and administration of these statutes is not in accordance with what was intended when they passed through this House. Therefore this committee would have the power to take a very close look at the practical application of the authority, to make sure that it was in accordance with the written word in the statute itself. As far as I can see, that is all there is involved in setting up this committee. It would not consider all the statutes in any one year. It would not even delve into all the statutes of one department in any one year. But it would have the opportunity and power, if you want to call it that, to take certain laws and make sure they were being administered according to the terms of those laws.

• (3:40 p.m.)

I should like to draw to your attention, Mr. Chairman, that I think the Executive should confine itself to the authority granted by this Parliament. But that would not be the only function of this Committee on Delegated Authority—namely, the function of being a watchdog over the Executive—because in many cases there is a far greater problem in some body examining what the bureaucracy does with power that is conferred on it by Parliament, which grants it to the Executive and through the Executive to Members in the Civil Service, or to what have been referred to as tribunals. So I think this committee would have quite a different function

from the normal investigation into the activities of departmental spending by the standing committees that will look at the estimates, and so on.

Therefore I suggest there is really quite a different kind of function proposed for this committee, and I think the Government should give careful consideration to including it, so there can be a piecemeal, or a statute at a time, if I may put it that way, or a statute by statute examination to make sure that the actual, practical application is in line with that which was intended by Parliament when they passed the statute.

Some hon. Members: Question.

Mr. Barnett: Mr. Chairman, I just want to say that in supporting the amendment that has been moved I feel that perhaps one of the best arguments in favour of its adoption was advanced by the President of the Privy Council in the latter part of the remarks he made a few minutes ago, in which he spelled out at some length the additional committees that it is already being proposed to establish under the amendment that is before us.

It seems to me that he made a very good case for the argument with which I think most of us agree, namely that we should get away from the old, large, unwieldy, unspecialized committee to which Members were assigned, and attended only in a nominal capacity, in favour of a flexible system of smaller working committees, the membership of which will be made up of Members who have a particular interest in following through that particular aspect of parliamentary work. In pointing out the direction in which we are moving it seems to me that the President of the Privy Council was advancing a very strong argument in favour of the amendment of the hon. Member for Peace River.

The only other thing I wish to say, in view of the reference the President of the Privy Council made to the possibility of our having a parliamentary ombudsman, is that I agree this committee, if set up, would have a very different function from that of the ombudsman. But it does seem to me that if we did establish that office and this committee, the committee might from time to time wish to call before it the ombudsman, in very much the same way that the Public Accounts Committee calls before it the Auditor General, in order to take advantage of the special knowledge in certain aspects of the administration of government which he would have acquired during the course of carrying on his functions. Therefore, Mr. Chairman, it does seem to me, particularly in the light of what was said by the hon. Member for Medicine Hat, that the President of the Privy Council has in effect advanced very good reasons why this additional committee should be established at this time, without any need for delay in its adoption.

Mr. Pickersgill: Mr. Chairman, I just want to say a very brief word, if I may, on this point. It seems to me that what we are seeking to do here is revise the rules, and not to import a new institution, however desirable that might be. While I am not raising any technical arguments, I think there are a great many of us who would have a great deal of sympathy for the general idea that is behind this amendment. As I understand it, in the British Parliament they have had for many years a committee which looks at regulations to see whether they go beyond the power conferred by statute. That is one thing. That is a very proper function of Members of Parliament, it seems to me, namely to satisfy ourselves that the Executive is not trying to legislate by Order in Council, but is only doing those things by Order in Council which Parliament empowers it to do. That is all the Executive should ever be allowed to do, except in exercising those few minor relics of the prerogative that still exist—and they are very minor nowadays.

But, Mr. Chairman, looking very hastily at the report from which the hon. Member for Medicine Hat just quoted it seems to envisage doing something quite different from that. It seems to envisage examining the way in which some body that was probably perfectly legally and regularly constituted is performing its function. I think a great many of us would want to think quite a while about whether that was the most appropriate way for Parliament to exercise its supervision over the Executive; because under our British system of parliamentary Government and of responsible Government it is the Executive who are responsible for every act of the Executive and for every body set up under the Executive functions, and it is the Ministers who are responsible to this whole House. I have always felt that the greatest merit of our system—and I know that the hon. Member for Port Arthur, who is a great exponent of the American system, will not agree with me; but I hope most hon. Members will—is that

there is always one person on whom you can pin the blame for anything.

Mr. Lambert: You have to find out who, first.

Mr. Pickersgill: That is what our duty is as Members of Parliament. I would be very much afraid that in performing this kind of function a committee which would be composed normally of a slight majority of supporters of the Government over the number who oppose the Government—otherwise the Government would not stay in office very long—would have a kind of political content instead of our having what we ought to have, a method of placing the responsibility where it really belongs.

I am not advancing this as a necessary objection to the idea at all; I am just saying it is something that I think some of us old-fashioned types might think was going a little far all at once. I agree with the hon. Member for Winnipeg South Centre. As we get older I agree with him more frequently than I used to in the past.

Some hon. Members: Oh, oh.

Mr. Pickersgill: I said that almost entirely for the benefit of the hon. Member for Port Arthur and the hon. Member for Kootenay West, those two flaming radicals. I do think that this very interesting suggestion, like that made the other day by the hon. Member for Edmonton West—who is now over on this side of the House, I am happy to see—and the hon. Member for Burnaby-Coquitlam is the kind of reform that is in a different category from the mere revision of the rules. It is a substantive thing, and I think we ought to deal with it in a different way from mixing it with the reform of the rules. For that reason, Mr. Chairman, though I see quite a lot of merit in the general idea, I do not think at this time I would be prepared to support the amendment.

Mr. Churchill: Mr. Chairman, I find myself in agreement with the President of the Privy Council and the Minister of Transport. It is a most unusual occurrence and I just want to record it in *Hansard*.

Some hon. Members: Oh, oh.

Mr. Bigg: A red letter day.

Mr. Churchill: I think I detected in the speeches made by Members of the former Committee on Rules and Procedure a note of irritation that the House had not accepted all their findings almost immediately.

Mr. Fairweather: Oh, no; say it isn't so.

[Mr. Pickersgill.]

• (3:50 p.m.)

Mr. Churchill: This was particularly noticeable in the remarks of the hon. Member for Medicine Hat who has been speaking on almost every section of the report. But the House does not always accept everything that is brought before it and I think these Members might learn a useful lesson, just as the Minister of Transport admits he has learned as the years have gone by. The fact is that you advance ideas in the House which are not accepted but you gracefully bow to the will of the House and continue to work on the proposition with the result that you may find it accepted in a year or two.

But I agree with the Minister of Transport that while the subject of delegated authority requires investigation and although this proposal has merit there is no necessity for a major change along that line at this particular stage of our proceedings. Furthermore, I think we have set up a sufficient number of committees now to keep everybody very usefully employed, and if we multiply the number of our committees we are going to run into difficulty because they will not function efficiently. We have heard so much talk about increasing the efficiency of this institution, so let us not go too far too fast.

If we find next year, let us say, that it is essential that a committee on delegated authority be set up, by that time the Minister of Transport will have had a chance to think about the matter and confer with the President of the Privy Council and we may reach the point where we will set up such a committee. But right now, with all these committees and quite a bit of work to do, I think we should leave this matter in abeyance and simply thank the mover of the amendment and the Members of the former committee for the great thought they have given to the matter and for advancing the idea in the House. Let us then get on with the rest of what we have to do because we have only 65 minutes left. The guillotine with its sharp edge will fall at five o'clock and I want to be here to hear the sound.

Mr. Baldwin: Mr. Chairman, I have one or two brief observations. I think most of us have thick enough skins that we can bear the impact of the guillotine without too much difficulty. In reply to what has been said by the President of the Privy Council and the Minister of Transport, I would point out that a close examination of the new committees indicates that there have been some completely new innovations. For example, we are to have

a Committee on Human Rights and a Committee on Crown Corporations. Certainly these were at no time included within the phraseology of committees which were capable of being established under the previous Standing Order.

Something has been said to the effect that we should be patient and wait for the years to go by. It may be because of my great age, Mr. Chairman, but from my experience in the seven or so years I have been here it seems to me that the period of gestation between the time someone gets a gleam in his eye and the 10 or 15 or 20 years it apparently takes to implement the idea in the form of legislation is just too many years for me to have to wait, and I hope there are other Members of the Committee who feel the same way.

I recall that when I came back from war service I tried to rehabilitate myself in a knowledge of the law. In the City of Edmonton I went through the library and looked at the federal and provincial statutes. Then the librarian showed me row after row of volumes with page after page of Orders in Council passed during the course of the war. It would have taken many men studying day and night for years to absorb the knowledge and authority contained in those Orders in Council.

Two or three years ago I had the privilege of serving as Chairman of a small committee which inquired into the Emergency Measures Organization and the War Measures legislation. At that time the Minister of National Health and Welfare was a member of the committee. She asked the Clerk of the Privy Council, I believe, to bring before the Committee some of the Orders in Council dealing with this particular phase and we were told that it would take a truck to bring them all to the committee room.

This is the danger that we face at this time. It is like the old Roman emperor who, in order to comply with custom which compelled him to publish the laws, had them engraved on tablets of stone and then hung so high that no one could read them.

Mr. Pickersgill: I wonder whether the hon. gentleman would permit a question? Surely he does not want to imply that all or even most of the Orders in Council have any legislative effect whatever? I am sure the hon. gentleman knows that all Orders in Council having legislative effect are published regularly in the consolidation of the Statutory Orders and Regulations and that this reform arose out of the efforts of, among others—I do not often pay tribute to him—the present Leader of the Opposition.

Mr. Baldwin: I am not making the point that they are not published, but I am making the point that there are so many that in effect knowledge of them is denied to most of the people of the country.

Mr. Pickersgill: There are not very many.

Mr. Baldwin: It is my very definite view that the time has come and in fact is long past when there should be a committee which, on behalf of the people of this country, would examine with the most scrupulous and anxious care Orders in Council and similar authorizing procedures to see, first, if they lie within the competence of the statute which sets out to permit them to be passed and, second, even if they are legally passed, whether there have not been infractions from time to time by civil servants in the carrying out of the functions assigned.

Anyone who examines any one of many statutes passed is bound to have his attention drawn to the fact that so many of them contain the power to pass regulations by Order in Council and, as I said before, I think we fall short of our duty if we do not take this step at this time.

Mr. Fisher: Mr. Chairman, after the comment of the ex-Minister from Winnipeg South Centre I felt I had to put on the record a sentence from the text that was referred to by the hon. Member for Royal and which is entitled "Three Dozen Parliamentary Reforms By One Dozen Parliamentary Socialists". With reference to new committees for this purpose it has this to say:

> Their advantages can be considerable. They enable Members to develop and use their personal expertise in the fields of government which interest them and they can, as other countries have already found, prove an excellent training ground for future ministers, and winter grazing ground for ex-ministers.

I would commend this idea to the ex-Minister from Winnipeg South Centre and to the Minister of Transport, for there is no one I would look forward with more delight to seeing classified as an ex-Minister.

Mr. Otto: Mr. Chairman, with regard to the amendment moved by the hon. Member for Peace River, let us suppose that such a committee was established to deal with the constitutional legality of the actions of an administrative body and whether or not it has exceeded its delegated authority. I think the hon. Member for Royal will recognize that such points now take years to decide in

the courts and I can imagine what would happen if such points were raised in this committee. I am afraid the committee would be nothing more than a small constitutional study group that would not achieve much by way of results.

Mr. Winkler: We may need that too these days.

Mr. Otto: I am glad to see the formation of these committees is not in accord with the recommendation made by the Procedural Committee, and I say that for this reason. You will recall, Mr. Chairman, that the main reason for reform of the rules and procedures is to give Members of Parliament more responsibility and more worth-while work to do in Parliament.

• (4:00 p.m.)

I am glad to see that in this clause most of the committees are closely associated with the department, whereas previously there was never much communication between committees and Minister or departments involved. As a result, we went on re-examining and reviewing legislation already passed, but any suggestion made in those committees never reached a department or any of the Ministers. I should like, therefore, to make this one suggestion to the whips, possibly, or the Members who form these committees. I strongly urge that the Chairmen of these committees be the Parliamentary Secretaries of the various departments. Let me tell you why I make that recommendation. If the Parliamentary Secretary is the Chairman, he will have to be there, at each committee sitting. Any ideas that come forward from the Members of that committee, any good ideas, will be passed on to the Minister.

Mr. Winkler: He will throw them out anyway.

Mr. Otto: As a result, if a Minister is a good Minister he will accept the good ideas and we, as Members of Parliament, will actually have more responsibility in initiating legislation rather than merely in the examination and review of legislation.

Mr. Winkler: You are putting forward a hypothetical idea with which we have agreed for a long time.

Mr. Macquarrie: I have only a word or two to say. It is rumoured that the Minister of Transport and the hon. Member for Winnipeg North Centre are going to the Senate in any event, so they will liven up proceedings there. It has been indicated that this is not the time to do this, but I am not one who thinks that manana is always better. It strikes me that this is not the case at all when we have been referring constantly to ourselves as the champions of the relationship between the legislative and the executive. Here we are talking about the examination function. As has been pointed out, the new schedule of committees represents a greater degree of realism at the present time in connection with the meaningful function of carrying on an examination process. As has been well pointed out by several Members, the whole field of delegated authority and delegated legislation is one in which there is great need for this very thing. Surely, Lord Hewart's strictures have not been forgotten and they are applicable here in Canada. I would hope that the champions of the status quo would unbend and accept this practical suggestion.

The Deputy Chairman: Is the committee ready for the question?

Amendment (Mr. Baldwin) negatived: Yeas, 27; nays, 43.

Mr. Fairweather: I want to enter a caveat about what could be an interesting Committee on Broadcasting, Films and Assistance to the Arts. I think the principle has been enunciated here on several occasions, perhaps at no time more eloquently than by the late and beloved Member for Digby-Annapolis-Kings, concerning the relationship of the Secretary of State with the Canadian Broadcasting Corporation. I hope that statement, which has been endorsed I know by the present Secretary of State, will be carried through and that the Committee on Broadcasting, et cetera, will not set itself up as a censor for the films and so on which are to be shown. I know, and I say this with diffidence, I have no competence to judge the content of a C.B.C. program or what picture may hang in a gallery downtown, or what film the National Film Board should produce.

Mr. Pickersgill: Or world fair symbols?

Mr. Fairweather: Yes, I thank the Minister of Transport for reminding me. This was one of the sorry times when Parliament tried to exercise its doubtful taste about a symbol that has now been adopted for Expo '67. Strangely enough, each time I go into my church and see, back of the Priest at the altar, the extended hands, symbolizing I presume the same symbol as has been used for this exposition, I think how silly we were. I hope this type of attitude will not permeate

this committee because if it does we will make nonsense of the committee and will be invading an area with which this Parliament has no competence to deal.

Mr. Fisher: The Canada Council, through a process that is not supported by anything statutory, has appeared annually with its report before the Public Accounts Committee. Now, is it the intention of the Government to change this practice and bring it before the committee to which reference has just been made?

Mr. McIlraith: It will have to be considered, but frankly I had not thought of it.

Mr. Fisher: I just wanted to make sure, because we do not want to lose that privilege which some of us have appreciated, of being able to interview and question the Members of the Council before the Public Accounts Committee. It makes sense to put it in the other committee; but in the limbo that may be ahead, because the President of the Privy Council has not thought about this, I hope no one will lose sight of the fact we need it in one or the other.

Mr. Pickersgill: Perhaps as the senior Minister here, I may say that I remember well Mr. St. Laurent's assurance when the Canada Council was first set up, and I can assure the hon. Member this Government intends to carry it out in one way or another in every year; so Parliament will have an opportunity to review this matter.

• (4:10 p.m.)

Mr. Lambert: A former minister of national health and welfare, who became chairman of the Canada Council, expressed grave doubts as to whether Parliament had any competence. I am not mentioning that as an argument against what the Minister has said.

Mr. Pickersgill: It was not precisely on the same point. We make an unconditional grant to the Canada Council. The moneys they spend are no longer under the control of Parliament, as Mr. St. Laurent made clear at that time; nevertheless he felt there should be some process by which Parliament could make a review of this matter. This compromise was reached and seems to have worked fairly well so far.

Mr. Fisher: It was the successor to Mr. St. Laurent who offered the technique that was used, and I think we should give him credit for this.

Mr. Pickersgill: I am quite willing to do that. I gave him credit a few minutes ago.

Mr. Barnett: Following the sermon on the exercise of patience by the hon. Member for Winnipeg South Centre—

Mr. Churchill: No; it was the Minister of Transport; he is the patient man.

Mr. Barnett: I have in mind the remarks made by the hon. Member for Winnipeg South Centre about not being too concerned if the ideas we introduce do not find immediate acceptance among Members of the House.

Mr. Churchill: I was speaking from my own experience, because a lot of my ideas are never accepted.

Mr. Knowles: Praise God from whom all blessings flow.

Mr. Barnett: I may not have acquired as much patience as the hon. Member, as he has been longer in the House than I. However, to come to the point, I wish to move an amendment and without embarking on a lengthy discussion I move:

That the proposed standing order 65 be amended by adding to section (1) thereof the following as a new subsection (v):

(v) on Indian Affairs, to consist of 24 members.

Few Members will quarrel with the fact that what parliament does in the field of Indian Affairs is of growing interest and importance, not least because of the interest of the Indian people themselves in it. From time to time special committees have been established, but I think a regular standing committee on Indian Affairs should be set up. I appreciate that under the Government proposal provision may have been made to refer this matter—

Mr. McIlraith: Does the hon. Member not think this is covered by subparagraph (i), the Committee on Human Rights and Citizenship and Immigration? It was intended that it should be included in that, and if there is any uncertainty there would be no objection to adding Indian Affairs to the title of that committee.

Mr. Barnett: I am aware that it was proposed that estimates of the Indian Affairs branch be considered by this committee, but the subject matter is of sufficient importance to be dealt with by a separate committee, not one which will be dealing with a hodgepodge of other matters.

There is to be a Standing Committee on Veterans Affairs, which could just as logically be referred to the Committee on Human Rights. I think that long after we cease to deal with veterans affairs, because no veterans are left in Canada, we will still have to deal with the Indian people.

Mr. Pickersgill: It would be an inconvenience from an administrative standpoint to have two committees to which one department was being referred. I hope the Indian Affairs branch will always be part of the Department of Citizenship and Immigration, as citizenship should always be stressed in relation to Indian Affairs. As mentioned by the President of the Privy Council, there would be no objection to enlarging the title of the Committee on Human Rights.

Mr. Barnett: The argument about dividing the estimates of a department is rather academic. What does the Minister think about the proposal presently before the House for the setting up of a Court of Indian Claims? Is not this an argument in favour of a separate committee?

Mr. Pickersgill: I cannot conceive that one committee would be considering the estimates of Indian Affairs while at the same time another committee would be considering the estimates of the Immigration Branch. That would divide the energies of the deputy minister. Nothing would be lost by having them considered in the same committee, and they would receive more thorough attention from the department and the officials if that were done.

As has been mentioned, we are setting up quite a number of committees, and now another one is suggested. I see a very real advantage in changing the title of the Committee on Human Rights so that the Indian people will not feel they are overlooked.

• (4:20 p.m.)

Mr. Barnett: I suggest that in due course we allow the members of the committee to decide by a majority whether they wish to accept my suggestion or that of the Minister.

Mr. Orlikow: I should like to support the amendment proposed by my hon. friend from Comox-Alberni. I think there is a good deal more to this than the adding of the word "Indian" to the title. Surely it is time the people of Canada realized that here we face what is undoubtedly the greatest unsolved social problem in Canada. The Indian-Eskimo Association which is probably doing more in its field than any other voluntary association, recently made representations to the Government that a separate department be established to deal with Indian questions and that the whole of this work be separated from the Department of Immigration. The Government has gone some distance in this direction; the department now has two separate branches, each under a deputy minister.

A week or so ago I had a question on the order paper asking what had been spent by the Federal Government on services to Indians in the fields of health, education, welfare and economic development. The answer was interesting. During the fiscal year 1963-64 the Federal Government spent $13½ million on welfare, $3½ million on education, $22½ million on health services and just $3½ million on economic development. Contained in these figures is a good indication, in capsule form, of where we have gone wrong. Surely the only way of reaching a situation where the Indian citizens of Canada can play their part and live their lives with the same possibilities open to them as there are to others, is to make sure they have an economic basis permitting them to pay for the services they require, like the rest of the people of Canada. These figures give us a picture of what has gone wrong in the years gone by. We have been prepared to give the Indians sufficient food and shelter to ensure they will not die from exposure or lack of food—very often—but not enough to permit them to develop to the point at which they can make their own way.

I cannot think of anything better than to set up a committee of parliament which would take the time to meet together with officials of the department and the Minister, and deal in great detail with the problems of the Indians. The Province of Manitoba from which I come, the Provinces of Saskatchewan and Alberta, and, more recently, the Province of Ontario have all begun to spend a great deal more money and effort on trying to improve both the immediate and the long range conditions of the Indians. We have for the first time an opportunity in the next generation to solve this problem, provided we are prepared to do some new and bold thinking. I wish to join my hon. friend from Comox-Alberni in suggesting that one way of doing this would be to set up a separate committee. Here in the Committee of the Whole when we discuss estimates we spend so much time discussing the immigration

problem that we never have more than a couple of hours in which to discuss the serious question of the Indian population. I do not say this critically; the immigration estimates have rightly come in for lengthy examination during the last 50 years. But I do hope the Government will agree with the proposal now before the committee, and that we can have a committee of this House which will spend the necessary time on this subject and reach the basic solutions which are required.

[*Translation*]

Mr. Caouette: Mr. Chairman, I would like to make a few remarks about the proposed amendment requesting the addition of a 24-member committee to study Indian affairs.

I may say that the Minister of Transport was quite agreeable when he consented to add "Indian Affairs" to paragraph (i) "on Human Rights and Citizenship and Immigration".

I would think that the effect of the amendment would be to duplicate a committee—in this case, the committee on Human Rights, Citizenship and Immigration, which has 22 members. This amendment provides for setting up another 24-member committee. It seems to me that the aggregate of suggested committees would be sufficient and I fully support the Minister when he suggests to the member moving this amendment to add "Indian Affairs" to the heading.

We all agree in this house that the Indians should have our special attention. We are all convinced that their problems must be considered and dealt with in the light of facts and I do not believe, as the hon. member who spoke before me just said, that by being included in the human rights and citizenship and immigration committee the Indians will be dealt with more harshly. On the contrary, we would have all the latitude required to discuss Indian problems in the human rights citizenship and immigration committee.

Mr. Chairman, since the government is ready to add Indian affairs to the human rights committee, we shall support the proposal of the Minister of Transport and vote, if there is a vote, against the amendment.

[*English*]

Some hon. Members: Question.

Amendment (Mr. Barnett) negatived: Yeas, 15; nays, 42.

The Deputy Chairman: I declare the amendment lost.

Mr. MacNaught: I move:

That the proposed standing order No. 65 be amended by adding after the word "on" in subparagraph (i) the words "Indian Affairs".

• (4:30 p.m.)

The Deputy Chairman: Is it the pleasure of the committee to adopt the said motion?

Some hon. Members: Carried.

Mr. Peters: On division.

Amendment agreed to on division.

Mr. Knowles: Mr. Chairman, now that the committee is in a mood to make amendments to paragraph 10 may I try one. The arguments for this have been made several times so I need not repeat them. We are in a position to do a job on the rules right now, because we had a committee working on this matter for a couple of years. Many of us think that this is a matter which should be kept under constant study and supervision. Therefore, I move:

That section 1 of the proposed Standing Order 65 be amended by inserting therein immediately after subparagraph (q) a new subparagraph (r) as follows:

"(r) on Procedure and Organization, to consist of 24 members";

and by relettering the succeeding subparagraphs.

There is a slight difference in form between my amendment and those which have recently been moved; instead of making another (v), I am putting it in its proper alphabetical place.

The Deputy Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. Knowles) negatived: Yeas, 26; nays, 44.

The Deputy Chairman: I declare the amendment lost.

Mr. Peters: Mr. Chairman, I should like to make a number of amendments to paragraph 10 in relation to Standing Order 65 by deleting parts of the section and substituting amendments. I do so because I think this is a very important section of the rule changes, one which, in my opinion, can either make them successful or not. I do not want to take up much time by presenting them but I do point out that on a number of things the Government has made certain concessions.

It has been stated that the Government is prepared to have committees established within a ten day period. I should like to move an amendment which provides that after the third day from the commencement of the

session a special committee, to consist of seven members, will be automatically established; that within five sitting days after its appointment the committee prepare and lay before the House a list of Members composing the Standing Committees of the House. I would include in the list of committees a subparagraph (b)—I am not opposed to the other recommendations which have been made—a Committee on Accommodation and Facilities, and the Establishment and Organization of the Internal Economy of the House, to consist of 22 Members.

I do not know whether the Government has overlooked this matter, but I think that one of these days we will have to face the problem of the operation of the House itself. I think the way we do it at the moment is pretty archaic. We have a number of treasury members of the Government who, with Mr. Speaker, make decisions as to the operation and establishment of the staff, the facilities, and other matters involving the House. I think any Member who has taken the time to examine the situation will agree that this leaves a great deal to be desired. I think this matter should be considered, and in my opinion will have to be considered, before long.

In the British Parliament, from which many of the recommendations which we have debated over the last few days have been taken, they have established a committee of peers to assist in this matter. The treasury officers and Members of the treasury benches still sit on that committee because obviously an expenditure of money is involved, but it does seem that in Great Britain something can be gained by bringing in other Members of the House to discuss problems affecting the operation of all Members of Parliament and the facilities and establishment of the House of Commons. Therefore I suggest this new committee.

I realize that this will not pass, Mr. Chairman, because Government Members, several of whom are in the House at the present time, are on the presently existing committee. They have had it all their own way for a long time, and without any doubt it is a political committee. So I do not expect support for my amendment.

An hon. Member: Do you want to put them out of a job?

Mr. Peters: Someone raises the question whether they will be put out of a job. That is obviously not my intention. My intention is only to introduce other Members of the House to the committee who might be able to make suggestions and solve some of the problems facing us.

I would amend the next part of this paragraph to read:

The following Joint Standing Committees of both Houses are hereby established:
on Printing—

And so on, to consist of 23 Members; on the Library of Parliament to consist of 21 Members, and I add:

(c) on the Parliamentary Restaurant and the Precincts of Parliament, to consist of 21 Members.

This amendment, of course, will not be approved either. Nevertheless, some Members may be aware of the fact that the Restaurant Committee, under the able chairmanship of the hon. Member for Winnipeg South, did take a very active look at some of the problems which affected the restaurant and made a number of suggestions. Some hon. Members may be unaware of what some of these suggestions were. They involved such things as having three senior officers, through the offices of the Speaker, allowed to go to a very well known restaurant complex in Montreal to take training in their own particular field.

• (4:40 p.m.)

I think it is also true that there was in this training an evaluation of the capabilities of certain members of the staff, and the Restaurant Committee decided that one of the staff had to be replaced. This recommendation was made by the committee and was not acted on by the Speaker. It is interesting to note that when the Speaker returned to the committee at a subsequent meeting and was asked about this matter, he had the legal interpretation of the Restaurant Committee of the day, which indicated that there really was no such thing as a Restaurant Committee of the House of Commons. It is true that there was representation legally from the Senate side of the joint committee, but that part of the committee representing the House of Commons really had no function. I think that Members who use the facilities of the restaurant will congratulate the Chairman on the work she undertook on their behalf, and the fact is that things have improved in the restaurant.

Some hon. Members: Hear, hear.

Mr. Peters: I think it is a disgrace if we allow the Speaker to use this legal interpretation, that there is no representation from the House of Commons in connection

with the Parliamentary Restaurant, to be carried over to the joint committees which have already performed such useful work, and leaving out the Joint Committee on the Parliamentary Restaurant. I have added to this, Mr. Chairman, "the precincts of Parliament" only because I know parliament one of these days is going to have to make a decision on what are the physical boundaries of parliament.

This may involve something hon. Members have not thought about, but really in the precedents of parliament the West Block is not part of the complex of parliament, and those Members who are in the West Block are in a kind of limbo, as far as concerns some of the privileges that might affect Members of this House. I think we are just burying our heads in the sand if we say we are not going to look at this problem, and allow this sort of technicality to affect our work. A very effective and efficient Chairman made recommendations with regard to the Parliamentary Restaurant which were not agreed to by certain Members of the Internal Economy Committee. I do not expect this rule to be changed. This is a Parliament of sheep, everybody is scared of an election.

Some hon. Members: Oh, oh.

Mr. Peters: Nobody wants to stand up, on either side of the house, no matter how they feel.

An hon. Member: Brave man.

Mr. Peters: You can holler all you like, but that does not really make any difference. You do the hollering, but you really do not put any action behind it. Therefore there is no other conclusion to which I can come. Therefore, Mr. Chairman, I would change paragraph (4) to (5) and include in it the words:

—to sit notwithstanding any adjournment of the House and to adjourn from place to place—

All this really means is that the House will be able to do what was done so successfully by the Pension Committee, when the House adjourned and that committee was allowed to continue to sit. I have also added:

—to appoint subcommittees and to refer to such subcommittees any of the matters referred to the committee; and to report from time to time the *Minutes of Evidence* taken before subcommittees and reported by them to the committee.

I believe there is no argument that if this change were made the staff we have at this moment would not be able to cope with the work. Mention was made of the Committees on Immigration and Citizenship, Indian Affairs and Human Rights. I think no one will disagree that each of these fields is very large, and if a small committee was set up as a subcommittee, under the authority of the original committee, to report back to the original committee and obtain the minutes and all the benefits that would accrue to the main committee, this would probably be the answer to the problem of the diversity of subjects that will be referred to specific committees.

Then I add as paragraph (6):

Three shall be the quorum of every such subcommittee and every such subcommittee shall have power to send for persons, papers and records, to sit nothwithstanding any adjournment of the House, and to adjourn from place to place.

I include (5) as a new No. 7 and add at the end the matter of a timetable in this form:

That detailed examination of estimates, saving always the right of the Committee of Supply, be undertaken not later than the 10th of March by Standing Committees—each Standing Committee to report how, if at all, the policy in those estimates by it examined may be carried out more economically and, if the Standing Committee think fit, to consider the principal variations between those estimates and those relating to the previous financial year, and the form in which those estimates are presented to the House; and that not more than 36 days (two Wednesday or Friday sittings to be deemed equivalent to a single sitting on any other day)—

—as has been done in England:

—of the time of the House, being days before the 30th of September, be allocated to the business of supply in each session. For the purpose of this order, the business of supply shall consist of proceedings on motions "That Mr. Speaker do now leave the Chair"; supplementary or additional estimates from the Standing Committees. That a and main estimates whether for the coming or the current financial year;—

This means, of course, that we are setting a timetable that really would be operative in regard to the financial section of the business of the House of Commons, namely between March 10 and September 30 of each year. Then:

—and the consideration of reports from the Committee on Public Accounts and of reports on estimates from the Standing Committees. That a Special Committee of the House, consisting of 22 Members, to be designated later by the House, be instructed to prepare and to submit to the House forthwith the changes in Standing Orders consequential upon this order, including any means of giving to the Opposition an opportunity to select the departmental estimates to be discussed.

I move these changes, Mr. Chairman, by removing paragraph 10 of Resolution 15 and having what I have read substituted therefor.

The Deputy Chairman: Order. I have read the amendment proposed by the hon. Member for Timiskaming. While I feel that a part of this amendment, particularly that part which deals with the organization and internal economy of the House, tends to amend the House of Commons Act and perhaps is not quite in order, I would leave it to the Committee to decide what they would like to do with it. I would ask the assistance of any Members who would like to make any comments.

Mr. McIlraith: Mr. Chairman, there are some other grounds for arguing that this amendment is out of order; but rather than assert them perhaps it would be more satisfactory, in view of the fact that we are near the expiry of time for today, to have the amendment voted on. It seems to me that two or three things in the amendment are contrary to the rules in that it seeks to put a charge on the treasury by way of a motion not moved by a Minister of the Crown. It amends the House of Commons Act without proper steps being taken by a single resolution and on that count and on others it seems to me it is out of order. However, in view of the few minutes remaining I will not press the point but simply note it so that the allowing of the amendment to be voted on cannot be used as a precedent.

• (4:50 p.m.)

The Deputy Chairman: Is the Committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. Peters) negatived: Yeas, 7; nays, 63.

The Deputy Chairman: Does this complete the discussion of paragraph 10?

Some hon. Members: Agreed.

The Deputy Chairman: Paragraph 11. Is paragraph 11 carried?

Some hon. Members: Carried.

The Deputy Chairman: Paragraph 12. Is paragraph 12 carried?

Some hon. Members: Carried.

Resolution agreed to.

The Deputy Chairman: Shall I report the resolution?

Mr. Knowles: Mr. Chairman, before you report the resolution may I make a request of the President of the Privy Council, although it is something he would have to deal with when the Speaker is in the Chair? Would it not be desirable to have made as an appendix to today's *Hansard* a statement of all of the actual changes that have been made in the rules during the discussions of these last few weeks? For example, order paper item No. 14 was passed in part on Tuesday and the remainder of order No. 14 was passed through the adoption of the report of our committee of nine this morning, and now we have completed order No. 15. I am not suggesting that the appendix should contain a list of all the amendments that were proposed and all the voting that took place, but rather that it should be a statement of what actually will be our rules from now on. Could that be made an appendix to today's *Hansard*? Then we will all have it readily available. I realize this will have to be done with Mr. Speaker in the Chair but the opportunity to do it might not present itself if I did not mention it now.

Mr. McIlraith: Mr. Chairman, I think the idea is an excellent one. I wonder whether it should be in *Votes and Proceedings* or in *Hansard*. I should like to hear suggestions from hon. Members as to which they would prefer?

Mr. Knowles: I realize this is a bit unusual but why not put it in both? This is a matter that concerns all of us and there has been a lot of debate about something the terms of which readers of *Hansard* will not be able to follow if it is not made an appendix to *Hansard*. It seems to me it should be compiled and certainly included in *Hansard*, but I would have no objection to its being put in both.

Mr. Churchill: Mr. Chairman, I agree it might well be put in both with the new closure rule in heavy black type.

Mr. Olson: Mr. Chairman, there is one point I should like to make. I think it is desirable that a consolidation of all the changes in the rules should be printed separately so they can be found easily, but let us consider for a moment the physical requirement of someone doing this by the time *Hansard* goes to press tonight. It seems to me it is a rather large task to take all of this out of the debate and compile it in such a way as to meet the request of the hon. Member for Winnipeg North Centre. However, I think it would be desirable to include it as an appendix to Monday's *Hansard* which would mean there would be at least a reasonable time to do the work.

Mr. McIlraith: I understood the hon. Member for Winnipeg North Centre wanted simply the three orders that have been passed, namely the one last Tuesday dealing with supply, the one earlier today involving concurrence in the committee report and now Government Order No. 15 as amended. I take it he wants those three items to be printed as an appendix to today's *Hansard* and *Votes and Proceedings.*

With regard to the other matter of the consolidation of the rules, the fact is that there are other temporary rules in effect and this task will have to be undertaken separately. I should think the consolidation would be published in a separate pamphlet.

Mr. Knowles: The Minister has interpreted my request correctly. I was not asking for something that would involve a lot of work after we rise. I am simply asking that what was done on Tuesday and what was done this morning, these texts being already available, together with what we have now finished, be made an appendix to today's *Hansard* and today's *Votes and Proceedings.*

The Chairman: This order will have to be made with the Speaker in the Chair. Shall I report the resolution?

An hon. Member: As amended.

The Chairman: No, a resolution is not reported as amended, as the hon. Member will see if he will consult Beauchesne, citation 262.

Mr. Knowles: The resolution is the resolution as amended.

Resolution reported and concurred in.

Mr. Knowles: Mr. Speaker, is the Minister rising to make the request I suggested a moment ago?

Mr. McIlraith: Yes, Mr. Speaker, I have two other requests I should like to deal with. In the French version of the committee report on the proposed new Standing Order 15A the first four words in paragraph 1 of that report are "Il doit être formé". I am advised by the Committee Clerk, and the translator also agrees, that it should read "Est établi". I would ask for the unanimous consent of the House to have that correction made so that the report will read correctly.

Some hon. Members: Agreed.

Mr. Deputy Speaker: Is it agreed that an order of the House will issue to make the consolidation of the resolutions as amended an appendix to *Hansard* and also to *Votes and Proceedings*?

Some hon. Members: Agreed.

[*Editor's note: For text of orders adopted see appendix "B".*]

STANDING ORDERS

SPECIAL COMMITTEE ON SUPPLY PROCEDURES

Hon. G. J. McIlraith (President of the Privy Council): Mr. Speaker, in the order passed on Tuesday provision was made for a committee to deal with the supply resolution and I should like to move a formal motion to establish that committee, although I do not have the names of its members. I move, seconded by the Minister of Transport (Mr. Pickersgill):

• (5:00 p.m.)

That, pursuant to resolution adopted June 8, 1965, a Special Committee on Supply Procedures, to consist of 24 Members to be designated later by the House, is hereby appointed and instructed to prepare and submit forthwith such changes in the Standing Orders or procedures of this House as will provide

(a) That detailed examination of estimates, saving always the right of the Committee of Supply, be undertaken by Standing Committees and that not more than 30 days of the time of the House be allocated to the business of supply in each session. For the purpose of this order, the business of supply shall consist of main estimates; interim supply; and supplementary or additional estimates excepting supplementary or additional estimates introduced after the main estimates have been approved, and excepting always the final supplementary or additional estimates;

(b) That the number of supply motions be reduced from six to four; and

(c) Ways and means for giving to the Opposition an opportunity to select the order in which departmental estimates will be discussed.

That the said Committee be empowered to report from time to time, and that the Committee be authorized to sit while the House is sitting; and that in relation thereto the provision of Section (1) of Standing Order 67 be suspended.

Motion agreed to.

Mr. McIlraith: I wonder, Mr. Speaker, if I might ask the indulgence of the House for the purpose of thanking hon. Members for the way in which they dealt with the first resolution in the House and the second resolution in Committee of the Whole, and for their patience in dealing with this subject. It took a rather lengthy period of time, but I think all will agree it was a most important subject affecting the whole procedure of the House. On behalf of the Government, Mr. Chairman, I want to record this expression of thanks to all hon. Members for their patience.

Mr. Churchill: Mr. Speaker, I hope we can get back to normal very soon so that I will

not have to vote in committee with the Government. I should like to express our thanks to the President of the Privy Council for the way in which he has handled a very difficult task. I appreciate some of his troubles, particularly with the Members to my far left. We tried to be as co-operative as possible. We are prepared now, if the hon. Minister will announce the business for Monday, to release him from the House. We rejoice that he escaped serious injury this morning and we ask him to drive carefully on the way home.

Mr. Knowles: Before the Minister announces the business for Monday, may we join in the sentiments that have been expressed? It was kind of the Minister to say what he did to the House, in view of the difficulty under which he has been working today. We are glad that the trouble he experienced this morning was not more serious. We would be pleased to let him go for a rest, and we are glad also that the House has succeeded in doing this very important piece of work.

Mr. Thompson: I should like to join in expressing our appreciation of the way in which this very important work which has just been completed has been expedited. Certainly, this rare showing of good will is something that should make us all very happy. I drove by the House Leader's new car as it was parked outside last night, and today I hear that it was battered in a traffic accident. We extend our personal sympathy and trust the accident was not too serious. We thank him also for the progress that has been made. I hope the days ahead are going to be such that we will find we have accomplished one of the most important pieces of work that has been accomplished in a long time.

[*Translation*]

Mr. Robert Beaulé (Quebec East): Mr. Chairman, it is not very often that a bill or a resolution is adopted in such a gay mood.

We are also very happy that this debate is over, and we hope that next week we will gird ourselves for action.

[*English*]

BUSINESS OF THE HOUSE

Mr. McIlraith: Mr. Speaker, I want to thank hon. Members for their remarks. The business of the House for Monday will be the second reading of the Bank Act legislation and the Quebec Savings Bank legislation;

[Mr. Churchill.]

the bill to extend the Bank Act, and then Budget resolutions.

Mr. Deputy Speaker: Order; it being five o'clock the House will now proceed to private Members' business as listed on today's order paper.

SPORTS

DESIGNATION OF LACROSSE AS CANADA'S NATIONAL GAME

Mr. R. W. Prittie (Burnaby-Richmond) moved second reading of Bill No. C-3, respecting the national game of Canada (lacrosse).

He said: Mr. Speaker, it may seem from the explanatory notes that this Bill, particularly the portion which reads—

The purpose of this Bill is to rectify what was probably an oversight on the part of the Fathers of Confederation—

—is not seriously intended. This view was probably increased at the time I presented a similar bill last October when there were stories on the sports pages to the effect the Indians might be waiting outside the House to scalp Members who did not support the bill. In spite of remarks of this type, I assure hon. Members the bill is seriously intended.

I think it is fitting at this time when we are considering national flags, national anthems and other national symbols, that this particular matter should be settled now. A few months ago no one thought such a bill was necessary. I am sure they would have assumed that lacrosse was our national game. Reference is made to this in a great many publications. I was looking at one book entitled, "Great Days in Canadian Sport" by Henry Roxborough—I hope you will notice the name of the author—published in 1957. On page 21 this sentence appears:

The game spread so rapidly that in 1867 one of the first Acts approved by the Confederation Parliament was to confirm that Lacrosse was Canada's national game—

There is a book in the Library of Parliament entitled, "Lacrosse and How to Play It", by W. K. McNaught, and reference is made there to Lacrosse as the national game of Canada. I have searched through the Parliamentary Library and in a publication called "The Canadian Magazine" of 1902 there is the following reference:

—on the day on which the different provinces of Canada were united into one grand Dominion—July 1st, 1867—the game Lacrosse was established as the national game of the new Dominion.

However, what was assumed was not so. We found that the hon. Member for Norfolk (Mr. Roxburgh) caused some research to be done, and this research revealed there could be no record found of any legislative or executive action taken to declare lacrosse to be the national game of Canada.

• (5:10 p.m.)

The purpose of this bill, therefore, is to correct that oversight. I would base my claim for recognition of lacrosse as our official game on two main points. It was played by the Indians a very long time ago. We Canadians have not done too much for the people whose land we took. The least that we can do is to recognize their game as the national game of the country.

The second point we should take into account is the historical fact that lacrosse has long been considered as the national game of Canada. It can probably be proven that more people play hockey and baseball in Canada than lacrosse, but the case for lacrosse should be based upon other considerations. The game is very popular at the moment. It was popular in the past; it suffered a decline, but now there is a revival in its popularity.

The president of the Canadian Lacrosse Association, Mr. Carl Madgett, informs me that there are in excess of 25,000 players in Ontario, 5,000 in Quebec and about 4,500 in B.C. Some lacrosse is played in Manitoba, Saskatchewan and Alberta, at the University of New Brunswick, and at Camp Gagetown in New Brunswick.

As I have said, there is a considerable revival of interest in the game. It is flourishing in B.C. where there are numerous leagues including teams from Vancouver, New Westminster, Victoria, Burnaby, Coquitlam and Richmond. There are two senior leagues in the Province of Quebec, and the cities of Cornwall and Hull play in the Quebec league.

The National Film Board has just completed a film on lacrosse, which has been released in English and French and is being widely shown throughout the country. Just this past week the Fitness and Amateur Sport Directorate of the Department of National Health and Welfare issued a booklet called "Lacrosse" in one of its "How To" series.

We have only to look at the list of the teams which have won the various championships in Canada in past years to see how many parts of the country in which the game is played. The Mann Cup, which is emblematic of the Canadian senior lacrosse championship, was won in recent years by Vancouver, New Westminster, Victoria and Nanaimo in B.C. and in Ontario by Port Credit, Peterborough, Hamilton, St. Catharines, Mimico, Brampton, Ottawa, Orillia, and several times by the City of Toronto. The City of Oshawa won the Canadian junior lacrosse championship last year, and the main point I want to get across is that there is great interest in the game at the present time.

In addition to being played widely in this country it is also played in other countries. It is very popular in many parts of the United States, and I understand is the official state game of the State of Maryland. It is also played in the United Kingdom, Australia and New Zealand. The Canadian Lacrosse Association hopes to arrange a series of international contests to be played in Canada in 1967, and hopes to invite teams from Australia, New Zealand, the United Kingdom and the United States.

It is of particular interest that the only lacrosse equipment factory in the world is situated in Cornwall in the riding which you represent, Mr. Deputy Speaker, the Chisholm Lacrosse Manufacturing Company on the St. Regis reserve near Cornwall.

I expect to get the wide support of the House for this bill. I am sure all Liberal Members will support it. The Prime Minister (Mr. Pearson) is the honorary president of the Canadian Lacrosse Association, and I believe the Leader of the Opposition (Mr. Diefenbaker) expressed an interest in the game when he was asked about this by the Canadian Lacrosse Association.

I know a great many Members are interested and will want to speak on the subject, so perhaps my last words on it should be ones which have come from two native Indians. I refer first to a remark made by Mr. Wilfred Pelletier, executive director of the National Indian Council, reported in the Toronto *Telegram* of November 6, 1964:

Any contribution made by Indians in the past has not received credit, but lacrosse is something we are very proud of, and we of the National Indian Council back the lacrosse associations solidly.

This Parliament can do something to recognize the contribution of Indians by declaring lacrosse our national game.

Another Indian by the name of Duke Redbird, of *Thunderbird Magazine,* had this to say:

I can't recall the Russians ever beating a Canadian lacrosse team, or even challenging one.

As I said, Mr. Speaker, there was some humour attached to this when I first intro-

duced the bill, and the hon. Member for Norfolk (Mr. Roxburgh) introduced a bill dealing with hockey, but so far as I am concerned this bill is quite seriously intended and I should like to see the House take action today to establish this Canadian game as the official game of the country.

[*Translation*]

Mr. Gérald Laniel (Beauharnois-Salaberry): Mr. Speaker, I am very happy to take part in the debate on Bill No. C-3 to make lacrosse Canada's national game. All the more so because I am honorary president of the Club national de Valleyfield in the Quebec lacrosse league, and I am happy to hear the hon. member for Burnaby-Richmond (Mr. Prittie) say a little earlier that the Prime Minister (Mr. Pearson) was himself honorary vice president of the Canadian Lacrosse Association.

Mr. Speaker, lacrosse is a game which was very popular at one time in Valleyfield where I live and I am happy to see that this year a group of sportsmen is giving us the opportunity to install new life in this game which is infact traditionally and historically Canadian.

I would feel very remiss indeed if I did not congratulate those who took this happy initiative, among others, people whom you may not know, Mr. Speaker. Mr. J. Gérard Villeneuve and Mr. Bernard "Coco" Blanchard, two very well known sportsmen among our people. And I should not forget either those who will bend every effort throughout the season.

I wish the Valleyfield team good luck. Up to now everything has been going pretty well, and I hope the people will give it all the support required.

To come back to the bill itself, I want to inform the hon. member for Burnaby-Richmond, if he has not understood the meaning of my remarks, that I support his proposal, and I suggest that all members do the same.

The sponsor of the bill said a while ago that many did not take this suggestion too seriously. As far as I am concerned, I am in earnest. We speak about protecting, even maintaining a sport which originated in Canada, a sport which is becoming more and more popular. In fact, here in the Hull-Ottawa area, the newspapers give us each evening the results of various lacrosse games.

Mr. Speaker, I understand very well the reaction of some hon. members who wonder why we insist on having as a national game one which, in the last few years, has been

[Mr. Prittie.]

pushed aside by other games, hockey in particular.

It is also quite understandable that the hon. member for Norfolk (Mr. Roxburgh), who was active in amateur hockey for 15 years or so, is not very enthusiastic about this bill, but I hope he will be open minded enough to admit that lacrosse has some claims to being Canada's national game.

In my opinion, Mr. Speaker, Bill No. C-3 is certainly not trying to discredit other sports practiced in Canada today and I am the first to admit that one does not exclude the others. However, one fact remains; lacrosse is of Canadian origin, it is a game older than confederation itself and it was played a long time before the first settlers landed.

Mr. Speaker, I do not want to embarrass you, but since lacrosse sticks are manufactured solely in your riding, that is on St. Regis island, I am sure you are in favour of this bill which would be quite normal in my opinion. Besides a great many people know that for many years you have been an avid supporter of lacrosse. That industry in the Cornwall area exports lacrosse sticks to many countries, mainly to Australia, New Zealand, England and, of course, the United States. Therefore, this sport is renowned internationally; it started in Canada, the sticks are made in Canada and the world's greatest players of lacrosse have always been Canadians. This is significant just the same and I think those are sufficient arguments to make us consider such a sport at a time when we are thinking of adopting a national sport for our country.

If we refer to any encyclopedia, we find at the word lacrosse, that it is "the oldest game played in America" and also "that it is of Canadian origin". The white people started to take an interest in that game around 1840, but the native Indians had played it long before the arrival of the discoverers. It was then called "baggataway", and the teams included between 75 to 200 players. There was no limitation as far as the size of the grounds was concerned, which would extend, in some cases, to five or even ten miles.

Quite obviously, the rules prevailing at that time were completely different from what they are today and the first French settlers were most impressed, both by the game itself and the shape of the stick. Indeed, it is for that very reason that it has been called

"lacrosse", on account of the curve at one end, resembling a bishop's staff. The contests were then preceded by elaborate celebrations and religious ceremonies and followed afterwards by a tremendous celebration. The women attending the matches ran along the lines, striking their tribesmen with twigs so as to spur on their players in order to render the action more furious and more thrilling. As for the witch doctors, they acted as referees and marked the limits of the game area but, in some cases, this area could extend further and further as the game went on, since the dividing lines were extended whenever a player went beyond the limits.

On June 4, 1763, a "baggataway" match was used as a means of perpetrating the greatest massacre in Canadian history. According to Mr. J. B. Patterson, the author of "The Black Sparrow-hawk's biography", the Chippewas, a tribe that lived near fort Michillimackinac, organized a "baggataway" match against the "Sacs" Tribe, in honour of the anniversary of King George III of England, which was celebrated on June 4. The Chief of the Chippewas informed the commander of the fort, Captain Etherington, that a match was being organized in honour of the King's birthday, between his tribe and the "Sacs" tribe. Soldiers and fort visitors were invited to watch the game but the captain was suspicious and refused to let his men leave the precincts. Then, the Indians decided to play the game near the fortress, so that the people inside could watch the game anyway. The game went on for several hours and many soldiers and trappers finally decided to get out of the precincts to come near the ground and watch the competition from closer range. No one had paid too much attention to the fact that the Indian women, contrary to their habit, were sitting on the sideline and were covered with heavy blankets, although it was an extremely hot day. Because of constant coming and going of the fort people, the doors finally remained wide open and suddenly, as the play got nearer and nearer, the signal was given by the Indian chiefs. They all threw away their sticks and hastily picked their tomahawks from under the blankets covering their women. History tells us that only three white men survived that adventure which stands out in our history as one of the worst massacres.

In 1840, when white men began to get interested in the game, they amended the rules and also the stick. Gradually, numerous revisions brought the game to what it is today. More and more, it is being played indoors with six player teams and although the game may still seem a little rough, we are far from the massacres of 200 years ago. Even if lacrosse can be tough, it is essentially a team sport, a sport of contact, where skill comes first and where little is left to luck. The ball must keep moving at all times and the fact that there are very few offsides makes the game most interesting.

Among the references I found, some say that lacrosse was selected as the national sport of Canada in 1867, but after checking I found that nothing in the statutes of our country indicates that parliament ever took such a decision. Therefore I consider that the bill introduced today by the hon. Member for Burnaby-Richmond is more than justified, because it will enable us to recognize and preserve a sport which could not be more Canadian and which we could easily develop and make popular.

Before resuming my seat, Mr. Speaker, I invite all hon. members to support Bill No. C-3 and to recognize in lacrosse a sport which was marked by Canadian destiny and must remain with us, not like any other sport, but rather as the national sport of Canada.

[*English*]

• (5:20 p.m.)

Mr. Arnold Webster (Vancouver-Kingsway): I wish to speak briefly in support of the bill sponsored by my hon. friend from Burnaby-Richmond, an area in British Columbia which has a long tradition of lacrosse.

We have heard a great deal in recent years about the need to develop in Canada a Canadian identity as we approach our centennial year. With this in mind we have become increasingly aware of our achievements as a nation in various fields of activity such as resource development, scientific research, the creative arts and international affairs. Last year for the first time in our history we adopted a distinctive Canadian flag. Very soon we shall have an official anthem. Surely the time is ripe for us to recognize our national game of lacrosse.

I suggest there are three reasons why we should make this decision. First, lacrosse was developed many years ago by native people on the northern part of this continent. By accepting lacrosse as Canada's national game we would be paying tribute to the men and women who occupied this land before the coming of the white man. Second, early in this century, lacrosse was considered Canada's

No. 1 game, with widespread interest in both professional and amateur leagues. One of my first boyhood heroes was Newsy Lalonde —a great French athlete who played professional lacrosse for Vancouver and hockey for Montreal. The third reason is that lacrosse is a good game for Canadian youth. It requires skill, stamina and sportsmanship of a high order. We should give it official recognition.

In conclusion, I wish to quote an editorial from the Ottawa *Journal* of May 15, entitled "Lively Lacrosse". It reads as follows:

Occasional claims that lacrosse is Canada's national sport have not met wide public acceptance in recent years. Most people know that the game has a colourful Canadian history dating back to days when Indians ruled the land. In those times, it was played by 75 to 200 braves using a curved webbed stick that eventually was to give lacrosse its name—the stick reminded French settlers of a bishop's crozier, hence "La crosse."

Great changes occurred in the game after white men took a fancy to it...fewer players and smaller playing areas were introduced, until today it can be played in a hockey arena. The Mann Cup is the prize for national supremacy in the sport, which resembles hockey in its strategy.

• (5:30 p.m.)

Ottawa has harboured many avid lacrosse players over the years and both this city and Hull have entries in the Quebec League this year. The Ottawa-Montreal-Cornwall area appears to be a growing centre for the sport, which offers rugged action and high scores to please spectators.

Whether lacrosse, or any other sport, should be declared the national game is a matter of controversy. But lacrosse certainly deserves a better fate than the all-too-common one of being airily dismissed by people who have never seen the game played!

[*Translation*]

Mr. Jean-Louis Frenette (Portneuf): Mr. Speaker, my contribution to this debate will not be very significant; besides, I speak with a certain apprehension, especially after hearing the favourable remarks made by some members and colleagues.

I wish at first to congratulate the hon. member for Burnaby-Richmond (Mr. Prittie) who introduced bill No. C-3 to have lacrosse declared our national game, not for having chosen this one but to have had the idea of having a game recognized as our national sport, a thing we should do as soon as possible. He gave us also a very interesting historical background about this sport which was played by our native Indian people, our predecessors, or shall I say, the first Canadians. He gave us also an historical account of what has happened since the adoption of the game by Canadians.

[Mr. Webster.]

I have no resentment against the Indians, Mr. Speaker, but I remember very well— I still have the marks on my body—the first time I played lacrosse as a student at the Oka school. I then had the opportunity of playing against the Indians of Caughnawaga. It was a worthwhile personal experience but it nevertheless left me with a few scars which will show for some time yet.

I agree, as I mentioned earlier, that Canada should adopt a national sport, but I wonder if lacrosse should be the one to be so designated. I readily understand that lacrosse has been played from time immemorial and that it is also very popular here in Canada and elsewhere. On the other hand, I do not think lacrosse should be recognized as our national sport because I feel that a national sport should be practiced by most sportsmen. I also feel that it should promote national interest in times of national competition. Lacrosse does not qualify in this respect, no matter how it is compared to hockey.

Hockey is played by hundreds of thousands of people in Canada; it is governed by a national organization and millions of fans follow it. I feel that hockey qualifies much better as our national sport than lacrosse. Furthermore, national radio and television networks spend a great deal of money to broadcast hockey games and there is organized hockey in every Canadian community, be it a large city or a humble village.

Therefore, in my opinion, if we must recognize a national sport—and in this I share the opinion of the Member for Burnaby-Richmond—hockey wins by a long stretch over lacrosse, against which I hold no grudge. On the contrary, it is a game which requires a certain robust training, which develops the team spirit, which has great merit and demands considerable effort. However, I do not think it has the necessary qualifications to be designated as our national sport.

Once again, I congratulate the hon. Member for Burnaby-Richmond for his interest in the selection or designation of a national sport for Canada, and I also congratulate the hon. member for Beauharnois-Salaberry (Mr. Laniel) for making a worthy contribution to the debate, for doing his best to present all the advantages of the game of lacrosse. However, we are still a long way from adopting that game as our national sport.

Once more, I have no regret in not sharing the opinion of my colleague from Burnaby-Richmond. A referendum to determine which

is our most popular sport, what sport mostly attracts players, sportsmen and the general public, will reveal that hockey is our national sport.

[*English*]

Mr. Jack Davis (Parliamentary Secretary to the Prime Minister): Mr. Speaker, I should like to say a few words in support of the bill which has been advanced by the hon. Member for Burnaby-Richmond (Mr. Prittie). In other words, I should like to support lacrosse as Canada's national game.

Lacrosse has several things to recommend it. First, historically it comes ahead of ice hockey. It was played in this country generations before ice hockey was invented. Second, it is a tough game. It is a game which calls for a great deal of stamina and skill. Any of you who have seen lacrosse played in recent years will realize that this is indeed a fine game. It is very fast. The ball, for example, never goes out of bounds. The shots on goal are much faster than the shots in ice hockey. The plays are much more intricate. They call for a great deal of skill in respect to stick handling and they are well worth watching, drawing large crowds where the sport has been played continuously over the years. My advocacy of lacrosse, in other words, is based firstly on historical reasons, and secondly on the nature of the game itself.

In respect to historical reasons I would refer very briefly to the Encyclopedia Canadiana, which says that lacrosse is the oldest organized sport in America. It is Canadian in origin. A form of lacrosse, called battagaway, was played by Indian teams of from 75 to 200 men before white men arrived in Canada. As many as 48 tribes or groups, separated by distances up to 3,000 miles—in other words, right across the breadth of this continent, across what is now known as Canada—participated in these events. The game received its present name from early French settlers who likened the curved webbed stick used by the Indians to the bishop's crozier—hence "la crosse".

As early as 1840 white men became interested in lacrosse. It became popular around the middle of the last century. The rules were drawn up with some finality in 1867; in other words, in the year of Canada's birth as a nation. In the 1870's, 1880's and 1890's lacrosse was played by many more Canadians than played ice hockey. In the 1920's, and more particularly in the 1930's, the game was altered in several important ways. It became necessary, in order to have large attendances, to play on smaller courts. The summer use of ice hockey arenas was one obvious way not only of seating large crowds but of having a facility which could be lighted at night. Wire mesh was strung around the ice hockey arena to keep the ball in bounds. The same area was used as was normally covered by ice. The size of the team was reduced from 12 to 7, in the 1930's. Within the last few years it has been reduced to six. The players, playing in rotation, are substituted much as they are in ice hockey. It therefore is not only a fast game in spots, but it is played continuously at a very high rate of speed with much the same drive and purpose as ice hockey.

Today we have teams right across Canada. Lacrosse is more popular in Ontario than in other parts of the country; but it is certainly played in Quebec and it is played extensively out in British Columbia. This is witnessed by the fact that several Members from British Columbia have spoken today. Also the New Westminster Salmonbellies and the North Shore Indians teams are among the best teams that the nation has ever had. I mention the North Shore partly because the Squamish Indians, who made up the membership of some of our strongest west coast teams, are among the finest players that the Canadian game of lacrosse has ever known. These teams, the Salmonbellies from New Westminster and the North Shore Indians from Coast-Capilano won the Canadian senior men's championship a number of times.

By contrast ice hockey has a relatively recent history. Also its history, according again to several encyclopedias, began in western Europe. It was played in various forms and under various names through the Middle Ages on the canals in Holland, the frozen ponds in Denmark and the British Isles. It was popularly known as the game of "Shinny" for some time. It really was not played in Canada to any great extent until after 1867; hence it post-dates lacrosse by a considerable period of time. It has, however, become much more popular in recent years. This is partly because of the fact that there is a considerable commercial interest in ice hockey, an interest which has spread beyond the Canadian borders into the United States and elsewhere, and many young players are encouraged to improve themselves in this game. Many facilities have become available for the training and development of ice hockey players. I am

personally convinced that in time the improved equipment that is available now to young boys, teen-agers, in respect of ice hockey will also become available in respect of lacrosse. I think many of the new facilities which have been developed for ice hockey will also eventually be used for lacrosse in the late spring, summer and fall months. I believe that with these improved facilities lacrosse may revive, and indeed I believe should revive because it is a fine participators sport and a fine spectator sport.

In conclusion, Mr. Speaker, I should like to refer briefly to the breakdown of the grants which have been made available to national organizations by the federal department through the good offices of the Department of National Health and Welfare. I am referring more particularly to the fiscal year 1963-64. There lacrosse is well down the list. Ice hockey, as represented by the Canadian Amateur Hockey Association, is at the top of the list. No. 2 is the Canadian Amateur Ski Association. No. 3, I notice, is the Canadian Lawn Tennis Association, and No. 4 is the Canadian Association of Amateur Oarsmen. No doubt some of these expenditures reflect the fact that our athletes have excelled themselves in recent years in certain fields. Certainly out in British Columbia we have excelled ourselves in respect of rowing, and hence the amateur oarsmen have moved well up the list. But I suggest that for the Lacrosse Association to receive a mere $5,000 over a two-year period, in contrast to the literally hundreds of thousands of dollars spent in support of other athletic activities, is not doing justice to our national game. I trust that this situation will be rectified and that in view of the growth potential as well as the historical importance of this game it will receive more support from the Canadian Government in the years ahead.

• (5:50 p.m.)

[*Translation*]

Mr. Jean-Luc Pepin (Parliamentary Secretary to the Minister of Trade and Commerce): Mr. Speaker, representing one of the most sports-minded constituencies in Canada, I feel that I am obliged, indeed that I have a moral obligation to participate in this debate.

Before designating a sport as national, I suggest we should consider the criteria on which such a decision should be based. To my mind, there are four possible criteria.

First, the historic origin of the sport. From this standpoint, previous speakers convinced me that lacrosse was older still than hockey and, therefore, I am ready to concede this first point.

Second, there is the criterion of the value of a sport. I think we should not indulge in a debate in this regard, since each of us will find in his favorite sports a value, a beauty that others will deny. Therefore, the second criterion, in my opinion, does not apply.

There is a third criterion. The popularity of the sport. From that point of view, I think everybody will agree that, at least for the time being, hockey is the most popular sport in Canada and it is more generally practised than the game of lacrosse. In fact, one has only to read the newspapers to find that out.

The game of lacrosse, at least in the province of Quebec, has declined for quite a long time. I admit that recently there was a revival and that it is played more and more. In Drummondville, a city which I have the honour to represent, the game of lacrosse is really spreading and the public is showing greater interest.

There is a fourth criterion which I think is interesting and important, namely the reputation enjoyed by the sport abroad. In that regard, all those who have travelled outside Canada know very well that the game of lacrosse is not considered by the rest of the world as a distinctively Canadian sport. Whether we like it or not, hockey is considered in all countries of the world as Canada's national sport. And that is precisely one of the reasons why we feel so humiliated when the teams representing us in international competitions or at the Olympics are defeated by other countries, precisely because, for the rest of the world, hockey is the first Canadian sport.

There is another aspect to this problem which, I believe, is worth pointing out. The hon. member for Burnaby-Richmond (Mr. Prittie) himself, in the second paragraph of his notes, mentioned a very special aspect of this problem, that is its constitutional aspect. I quote the second paragraph:

> The purpose of this bill is to rectify what was probably an oversight on the part of the Fathers of Confederation who were so preoccupied with drafting Sections 91 and 92 of the B.N.A. Act that the question of declaring a national game escaped their attention.

Actually, I am wondering whether or not the Fathers of Confederation did not study this problem very seriously. I admit that history does not report any such discussion, at least to my knowledge, but I feel that the Fathers of Confederation must have consid-

ered this question and, precisely while considering sections 91 and 92, they certainly wondered in which category of problems, federal or provincial, this question of a national game should be included. I suppose some of them referred to section 91(f) as dealing with the defence of the country and I presume it was said that muskets were likely more useful than the lacrosse sticks and, consequently, the possibility was eliminated. Others may have argued this question came under paragraph 22 of section 91 concerning letters patent; others may have said that it pertained to paragraph 23 of section 91 concerning copyrights. Others may have stated that paragraph 24 of section 91 was applicable since the matter came under the jurisdiction of the federal government concerning Indian affairs. But I suppose that the supporters of the federal jurisdiction were themselves a little shaken by the arguments put forward by their opponents.

I suppose that in 1867 some of the Fathers of Confederation said that this decision concerning the national game should, on the contrary, come under the provisions of section 92, and that someone argued that that was provided for in paragraph 13 of section 92 dealing with property and civil rights. I also imagine that some people said this matter came under section 92(7) relating to local matters and consequently is under the provincial jurisdiction.

I can very well imagine that one of the Fathers of Confederation pointed out that weather conditions varied considerably across Canada and that mentalities and temperaments varied also. Furthermore, some must have thought it preferable not to designate any national sport, precisely because one sport could be very popular in one part of the country but less in another.

But, Mr. Chairman, I think there must have been one Father of the Confederation to suggest, finally, that the problem should be examined in the light of section 91 concerning peace and order and the good administration of the country.

One of them must have said: "That is the type of thing which will cause such serious problems between Canadians that it is much better not to raise it at this time. Since some Fathers of Confederation were, in 1867, already concerned about urgency, I imagine that there were some who said that it was not urgent to decide one way or another.

Mr. Speaker, it seems to me that the debate which has just taken place proves that even today, almost a century after 1867, we do not agree on what is the national sport of Canada. And I imagine that in the interest of order, peace and good administration, it would be better not to take a decision on this matter today.

[*English*]

Mr. John Mullally (Kings): Mr. Speaker, the hon. Member for Burnaby-Richmond (Mr. Prittie) who introduced the bill has certainly caused a very interesting discussion on something about which I have heard very little before. Even if he is not successful in having lacrosse established as Canada's national game, he has acquired at least one new fan for that sport.

From what we have heard today, I do not think any of us can dispute the historical significance of the game of lacrosse. The promoter of the bill and the hon. Member for Coast-Capilano (Mr. Davis), and others who have spoken, have established beyond any reasonable doubt that lacrosse has been played in this country for a great many years. In fact, as the bill indicates, it has been played in Canada for an unknown period of time, having originated with the native Indian people. On the basis of what has been said by other hon. Members who have spoken I would also agree that lacrosse is certainly an excellent game, one in which stamina, skill, team spirit and active participation are required.

However, in order to establish any sport as the national game I think there are certain other factors that must be taken into consideration in addition to historical background and the fact that lacrosse has many excellent features. I believe that one of the most important factors is that the people of the country would have to accept and recognize lacrosse as the national game, and in my opinion the vast majority of our people would be very reluctant to affirm that this is so.

I know that in my part of the country and probably throughout the whole of the Maritime Provinces the game is not played at all, or at least to a very limited extent at some of the universities. I have never seen an actual game of lacrosse and I think many of my hon. friends from that part of Canada are probably in the same boat. Therefore I would say that by an Act of Parliament we cannot impose on the people of Canada as their national game a game in which very few of them participate, a game which is known to a very small number of Canadians.

Mr. Prittie: Would the hon. Member permit a question?

Mr. Mullally: Certainly.

Mr. Prittie: Did we not impose upon the people of Canada by Act of Parliament a flag of our choosing?

Mr. Mullally: Certainly we did. I am glad the hon. Member has raised that point. That was an emblem that a large majority of the people of Canada wanted and have accepted. I submit this is an entirely different situation. I do not think we can adopt lacrosse as our national game, for the very reason that the people of Canada do not look upon it as the national game of this country. I think this is borne out by the fact that a relatively small number of people participate in the sport and very little is known about it by Canadians generally. In saying this I do not wish to minimize in any way the excellence of the game or the excellence of lacrosse as a participants sport.

The other argument I would raise against the suggestion that lacrosse be designated Canada's national game has to do with the fact that in other countries of the world we are not known as a nation in which lacrosse is played, but in practically every country of the world the game of hockey is synonymous with Canada. Canadian athletes participate in international hockey competition, and when hockey is mentioned Canada is automatically allied with it. I think this was very ably demonstrated by the Parliamentary Secretary to the Minister of Trade and Commerce (Mr. Pepin). Finally, Mr. Speaker, I think it is very difficult for any legislative body to impose a national game on the people without at least having some idea that they approve.

I see it is six o'clock, Mr. Speaker.

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

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

APPENDIX "A"

STUDENT LOANS PLAN—STATEMENT AND REPORTS

11 June, 1965.

Statement by the Minister of Finance on the Canada Student Loans Plan

When I reported on the Canada Student Loans Plan to the House last November, about 29,000 students had then been assisted by means of Canada Student Loans in the first two months of the new program. Total loans authorized at that time amounted to about $20 million. Since then, students have continued to make good use of this Plan and according to the latest figures available, as of April 1, 1965, over 41,000 students had been issued Certificates of Eligibility by the provincial authorities for a total amount of some $26 million. This means that the actual utilization of allocations by participating provinces during the current loan year will be quite close to the total provided for in the Act.

In my last statement I explained that, after the Plan had been in operation for a few months, it became apparent that a number of administrative problems encountered by the participating provinces were the result of varying practices in handling student aid, and that a concerted effort was being made to seek a greater degree of harmony in these practices. To this end, provincial officials and officials of the Department of Finance have met on several occasions during recent months to work out a common approach to these administrative problems.

The problems fall into three categories: the principles and criteria which the provincial authorities should apply in determining the size of loan (if any) which the student needs; the standard residence rules to be used in determining the province to which students should apply for Certificates of Eligibility; and, finally, questions relating to the designation by the provinces of educational institutions and related matters.

The federal-provincial representatives have prepared reports on each of the three areas I have mentioned. These reports have been accepted recently by a full federal-provincial meeting, at which representatives of all participating provinces and the federal government were present.

Because of the responsibilities which the provinces have assumed in the implementation of the Plan, these reports deal primarily with aspects of the student loan program which fall within the jurisdiction of the Provincial administrators. Indeed, the understandings reached in each of these reports reflect the experience and expertise of provincial authorities in the field of student assistance. I would like to express my appreciation to the representatives of all the provinces and territories for their efforts. The application of these reports will, I feel sure, make a major contribution to the effectiveness of this student aid program, and I can affirm that the reports carry the full support of the federal government.

The first report deals with the difficult question of how best to administer the provision of the Act which requires that the Certificate of Eligibility issued to a student should indicate that "the student is considered to be in need of a student loan for the academic year . . . in order to pursue a course of studies." We have learned from experience this year that a reasonably standard approach to this question is highly desirable, if not essential. It is in the general interests of the Plan to ensure that the available funds are utilized to assist only those students who genuinely need assistance. This means that the provincial administrators need guidelines to ensure that student needs will be measured in much the same way in all participating provinces. Also, a standard approach is needed to provide more concrete guidance to students in submitting their loan applications.

In considering the question of the financial needs of students, it is assumed that responsibility for the costs of post-secondary education of the individual student remains primarily with the parent or family of dependant students, or with the student himself where he is not a dependant. It is also recognized, however, that governments at all levels are interested in supplementing their available resources in order to ensure that all qualified students have the opportunity to reach their educational potential. These premises are set out in detail in the report.

It follows from these premises that, as a general rule, the parents' income should be taken into account in assessing a student's need for a loan. The report therefore spells out in some detail how a student's need is to be determined, taking into account both the costs of continuing his education and the financial resources that are available to him. However, the report also provides for an appeal procedure where an applicant feels that this assessment is inadequate or where the circumstances have changed since the application was first made. The applicant may, in these circumstances, re-apply or appeal his case, in accordance with the policies of the provinces concerned. I think that this is a very important feature and I am confident that, as a result, a loan will be made to any student who really needs a loan, and who meets the other requirements.

Provincial officials and representatives of the Department of Finance will be meeting again next week with the objective of ensuring the implementation of these criteria as uniformly as possible in all participating provinces.

The second report on questions of residence establishes the principles to be used in determining which province is the appropriate one to handle a student's application. Participating provinces are, as a matter of policy, issuing Certificates only to their own residents. However, with a mobile population—and an even more mobile student body—the question of residence can be complicated and controversial. Initially, provinces did not apply the same definition of residence, so that some students experienced difficulty in having their application considered by what they thought was the appropriate province. The report establishes agreement among the participating provinces on full reciprocity in the application of the same residence definitions. In addition, it has been agreed that the ultimate goal is to have complete reciprocity on the question of residence with the Province of Quebec, which does not participate in the federal Plan.

I am glad to mention that the student-aid authorities in Quebec participated fully in working out the common guidelines, and their experience in operating their own program of student aid was of considerable help to the other members of these committees.

The third report deals with a number of miscellaneous but nevertheless important subjects such as the criteria for designation of educational institutions, definitions of what is meant by "post-secondary" school level, "Satisfactory scholastic standard" and "academic year". The understandings that have been reached will serve to assure equitable and standard rules in all the provinces.

This report does not deal with the question of what type or types of private schools, if any, should be eligible for designation by a province as a "specified educational institution" within the meaning of the Act. This is a difficult subject and is still under active consideration. As soon as agreement has been reached, it will be announced.

The principles and procedures reflected in these three reports should come into effect starting with the new loan year which begins in July. As I have said earlier, they can be expected to contribute significantly in making the operation of the Plan more effective and equitable, and should help to ensure that all Canadian students who genuinely need assistance to finance their education will obtain it.

The high degree of success which this Plan has enjoyed is due to a large extent to the constructive spirit of cooperation of the provinces and territories, and the lending agencies. The Plan was initiated shortly before the beginning of the academic year last Fall. It is to the credit of the provincial authorities administering the Plan that it was possible to implement it so quickly and so effectively.

Canada Student Loans Plan
Report on Certificates of Eligibility Issued
as of April 1, 1965

	Provincial allocation	Total amount of loans authorized by certificates issued	Number of Students assisted
	$	$	
Newfoundland	1,176,000	456,512	732
Prince Edward Island	232,000		
	60,000*		
	292,000	288,609	431
Nova Scotia	1,736,000		
	170,000*		
	1,906,000	1,729,008	2,450
New Brunswick	1,416,000	1,347,188	2,008
Ontario	12,440,000		
	3,000,000*		
	15,440,000	14,004,565	21,287
Manitoba	1,968,000	1,371,520	2,259
Saskatchewan	1,908,000	1,867,420	2,965
Alberta	2,852,000	2,083,488	4,481
British Columbia	3,236,000	3,100,031	4,650
Yukon	24,000	8,600	12
Northwest Territories	48,000	9,000	9
	27,036,000		
	3,230,000*		
Total	30,266,000	26,265,941	41,284

* A special increase for 1964-65 loan year.

CANADA STUDENT LOANS PLAN

Approved Report of the Federal-Provincial Standing Committee on Concept of Students' Need

1. The premises on which the concepts of need are based include the following:—

(a) The responsibility for the costs of post-secondary education to the individual student remains primarily with the parent (guardian or immediate family) where the student is a dependant or with the student where he is not a dependant.

(b) Governments at all levels are interested in supplementing family/student resources and resources available through educational institutions, where needed to ensure that all qualified students have the opportunity to reach their educational potential.

(c) It is desirable that the concepts and criteria used by governments and institutions in determining the need for loans, bursaries and other forms of assistance to students should be co-ordinated within a province by a provincial authority.

(d) It is possible to co-ordinate among the provinces the concepts and criteria of need applied in administering federal assistance in this field.

2. Both the costs of education and resources available to the student should be taken into account in developing the concepts of need.

The following criteria should be employed:

A. Costs of Education

The following costs should be taken into account in determining need:

(1) Fees—All compulsory fees of the educational institution.

(2) Prescribed Books and Instruments.

(3) Board and Lodging During the Academic Year Single Students.

(i) Institutional Residence—as charged by the institution.

(ii) Board and lodging away from home, based on average costs in the region concerned.

(iii) Students living at home will be given an allowance against student resources.

Married Students: Board and lodging allowance in accordance with the rate for a single student established as above may be allowed for each married student attending an institution. (A reasonable amount will be deductible from the financial resources of a married student (B below) to reflect the additional costs of maintaining a household.)

(4) A Reasonable Allowance for Clothing, Laundry, Dry-Cleaning and Recreational Costs.

(5) Transportation: (a) From permanent residence in Canada to institution in Canada: One return trip a year, the cost not to exceed the equivalent of the cost of the most economical means based on costs of public transportation.

(b) From permanent residence in Canada to institution outside of Canada: An allowance which will equal the lesser of one return trip a year by the most economical transportation, or a maximum amount established by the provinces.

(c) A reasonable allowance for Local Transportation.

(6) Premiums for Hospital and Medical Prepayment Plans.

B. Student Financial Resources

(1) Resources of Parents/Guardian: Parents' personal taxable income including income on assets are factors to be taken into account, and will be shown in application forms unless the student is married or can establish that he is completely independent financially from his parents/guardian.

(2) Students' Own Resources: (a) Summer Earnings; (b) Assets.

(i) Car (state value); (ii) Other Assets.

(c) Earnings During the Academic Year; (d) Scholarships, Bursaries and Tuition Grants.

(3) Spouse's Gross Income

3. General Recommendations: (1) Where an applicant feels that the award is inadequate or circumstances have changed since the award was made, the applicant may reapply or appeal his case in accordance with the policy of the province concerned. In all participating provinces, except Ontario, such re-application or appeal is to be made to the provincial authority; in Ontario, it is to be made to the institution attended if located within the province, or to the Provincial Authority for Ontario residents studying outside Ontario.

(2) A declaration shall be made by the student in his application of the same force and effect as if made under oath by virtue of the Canada Evidence Act, and where applicable by the parent/guardian.

(3) These premises and criteria are acceptable to provincial and federal governments, and the federal and all provincial authorities will co-operate in giving full publicity to them.

4. Continuing attention will be given to developing a common application form for use in the provinces.

* * * * * * * * * *

The above report was accepted on March 29, 1965, by a full federal-provincial meeting, including representatives of all participating provinces and the federal government.

R. W. Dalton, Chairman,
Assistant Deputy Minister (Education),
Department of Education,
Winnipeg, Manitoba.

C. L. Read, Secretary,
Director, Government Finance Division,
Department of Finance,
Ottawa, Ontario.

March 29, 1965.

Approved Report of the Federal-Provincial Committee on Residence

(I) Criteria for Determination of Issuing Province for students from Participating Provinces (Except as in (II) Below)

A distinction is made between

Group A: Unmarried students who receive financial support from parents, guardians or foster parents; and

Group B: Students who are married or who can establish to the satisfaction of the Appropriate Authority or its agent that they are completely independent financially.

* * *

In the case of Group A, a student's Issuing Province is:

(a) the province where his parents, guardians or foster parents reside; or

(b) the province where his family's home is being maintained, even if one of his parents works in another province; or

(c) if parents are separated or divorced, the province where that parent (father or mother) resides with whom the student normally lives or from whom he receives his principal financial support if he lives with neither; or

(d) if parents, guardians or foster parents live abroad (e.g., armed services), the province where they last lived before going abroad.

Where the persons whose residence determines a student's Issuing Province move to another province, the province to which they have moved becomes the student's new Issuing Province as of the date of the move.

* * *

In the case of Group B, a student establishes residence in his own right. For Group B students, however, there will be a time lag of not less than 12 consecutive months before residence is established in a new province. A participating province continues to be the Issuing Province of a student in Group B who leaves that province, until the student has spent 12 consecutive months in another participating province which latter province then becomes the Issuing Province.

* * *

A landed immigrant who has been in Canada for one year or more, but who does not qualify for residence in a participating province as outlined above, may be considered to be a resident in the participating province in which he lives when applying for a Certificate.

If a student's application for a Certificate is refused on the grounds that he is not a resident of the province to which he applied, his application will be redirected to his province of origin.

(II) Pro Tem Criteria for the Determination of Issuing Province for Students in the Case of Moves in Either Direction Between a Participating Province and a Non-Participating Province

The objective as regards residence criteria is complete reciprocity between participating and non-participating provinces. Pending further consultation between Quebec and the participating provinces, the latter are prepared to proceed on the following basis:

(i) If the parents, guardians or foster parents of an unmarried student receiving financial support from them, or if students who are married or who have established that they are completely independent financially, move from a participating province to the Province of Quebec, the Province of Issue prior to the move remains the Province of Issue of these students until they qualify for student assistance from the Province of Quebec under that province's residence rules.

(ii) In the case of a student moving from Quebec to a participating province, that participating province will apply the same residence criteria as if the student came from a participating province.

* * *

The above report was accepted on March 29, 1965, by a full federal-provincial meeting, including representatives of all participating provinces and the federal government.

S. E. Espley, Chairman,
Comptroller of Expenditure,
Department of Education,
Victoria, British Columbia.

A. R. Hollbach, Secretary,
Government Finance Division,
Department of Finance,
Ottawa, Ontario.

March 29, 1965.

CANADA STUDENT LOANS PLAN

Approved Report of Federal-Provincial Committee on Designation of Educational Institutions and Related Definitions

1. Criteria for Designation of Educational Institutions.

The Act provides that student loans are intended for students taking courses at a post-secondary school level. Accordingly, it is agreed that post-secondary educational institutions, including such institutions outside Canada, be designated by the individual provinces on the basis of academic entrance requirements and course content.

It is further agreed that no course or institution be designated if the requirements for entrance to the course or institution are below the level generally accepted in the designating province as complete high school.

2. Private Educational Institutions.

[An agreed text to be incorporated later.]

3. Post-Secondary School Level of Course or Courses.

This means a course of study provided by specified educational institutions for which the generally accepted entrance requirements

include the successful completion of high school in the designating province.

4. Satisfactory Scholastic Standard.

A student who is accepted for enrolment by a designated institution in an approved course may be considered by a provincial authority to have achieved a "satisfactory scholastic standard".

5. Definition of Academic Year (Trimester and Semester).

Where an academic year overlaps two loan years the student, on the initial application, may be granted only that amount of loan required to finance the portion of the course which will be completed during the first loan year and instructed to re-apply for the amount required to finance the portion of the academic year which occurs during the second loan year. It is understood that the combined loans in a single academic year will not exceed $1,000.

The present legislation does not take into account the additional needs of students who attend institutions operating on the trimester system, since such students are limited to loans of $1,000 per academic year, even though the course of studies takes approximately one year less than a similar course taken at another institution. It is suggested that this question be re-considered when the Act is being reviewed.

The above report was accepted on March 29, 1965, by a full federal-provincial meeting, including representatives of all participating provinces and the federal government.

D. R. Simmons, Chairman.
Administrative Officer,
Department of Education,
Regina, Saskatchewan.

J. F. Parkinson, Secretary.
Economic Adviser,
Department of Finance,
Ottawa, Ontario.

March 29, 1965.

APPENDIX "B"

PROVISIONAL ORDERS EFFECTIVE UNTIL THE END OF THE NEXT ENSUING SESSION.

Ordered

1. (a) That detailed examination of estimates, saving always the right of the Committee of Supply, be undertaken by Standing Committees and that not more than 30 days of the time of the House be allocated to the business of supply in each session. For the purpose of this order, the business of supply shall consist of main estimates; interim supply; and supplementary or additional estimates excepting supplementary or additional estimates introduced after the main estimates have been approved, and excepting always the final supplementary or additional estimates;

(b) That the number of supply motions be reduced from six to four; and

(c) That a Special Committee of the House consisting of twenty-four members, to be designated later by the House, be instructed to prepare and to submit to the House forthwith the changes in Standing Orders consequential upon these orders, including any means of giving to the opposition an opportunity to select the departmental estimates to be discussed.

2. That the orders of this House under numbered paragraph 1, and the changes in Standing Orders consequential upon this Order, be continued in effect until the end of the next ensuing session, unless this House otherwise orders.

Ordered—Standing Order

6.(1) At 6:00 o'clock p.m. on Wednesdays and Fridays and at 10:00 o'clock p.m. on Mondays, Tuesdays and Thursdays, unless provided otherwise in these Standing Orders, Mr. Speaker shall adjourn the House without question put until the next sitting day.

(2) A motion that the House continue to sit after the hour specified in Section (1) may be made at any time without notice. If any member objects to the motion, Mr. Speaker shall request those members who object to rise in their places and if ten or more members then rise, the question shall not be put on the motion. If no member objects, or if fewer than ten members rise in their places, the motion shall be deemed to be carried. No debate or formal vote shall be held on such a motion to extend a sitting during an extended sitting as provided under the provisions of this section, no Order shall be called for consideration unless such order was under consideration prior to the normal hour of adjournment. An extended sitting under the provisions of this Section, unless a closing time has been specified, shall not be terminated except by the adoption of a motion to adjourn and Mr. Speaker shall not deem that a motion to adjourn the House has been made by virtue of the operation of any other Standing Order.

(3) If any member objects to the taking of a vote at any time between 1:00 o'clock p.m. and 2:30 o'clock p.m. or between 6:00 o'clock p.m. and 8:00 o'clock p.m., Mr. Speaker shall request those members who object to rise in their places and if five or more members rise, the taking of the vote shall be postponed. At 2:30 o'clock p.m. or at 8:00 o'clock p.m., as the case may be, Mr. Speaker shall interrupt the proceedings then before the House and shall put, or shall cause to be put, the question on any postponed vote. The House shall be deemed to have reverted to private members' business for such time as is necessary for the taking of any vote postponed from the time provided for private members' business.

(4) When it is provided in any Standing Order or in any order of the House that the business under consideration at the ordinary time of adjournment be forthwith disposed of or concluded, Mr. Speaker shall not adjourn the House until the specified proceedings be completed.

Standing Order 12

12. (1) Mr. Speaker shall preserve order and decorum, and shall decide questions of order. In explaining a point of order or practice, he shall state the standing order or authority applicable to the case. No debate shall be permitted on any such decision, nor shall any such decision be subject to an appeal to the House.

Standing Order 15

15. (3) Except as otherwise provided in these Standing Orders, the order of business for the consideration of the House, day-by-day, after the daily routine shall be as follows:

(Monday)

Questions.
Government orders.
(From six to seven o'clock p.m.—Private Members' Business)

(Tuesday)

Government orders.
Questions.
(From six to seven o'clock p.m.—Private Members' Business)
Private bills.
Public bills.

(Wednesday)

Questions.
Notices of motions for the production of papers.
Government orders.
(From five to six o'clock p.m.—Private Members' Business)
Notices of Motions.
Public bills.

(Thursday)

Government orders.
Questions.
(From six to seven o'clock p.m.—Private Members' Business)

A. On the first and each alternate Thursday thereafter:
Notices of motions (papers).
Private bills.
Public bills.

B. On the second and each alternate Thursday thereafter:
Private bills.
Notices of motions (papers).
Public bills.

(Friday)

Government orders.
Questions.
(From five to six o'clock p.m.—Private Members' Business)
Public bills.
Private bills.
Notices of Motions.

(4) When a debate on a motion "That Mr. Speaker do now leave the Chair" for the House to go into Committee of Supply is in progress at 6:00 o'clock p.m. on either a Monday or a Tuesday, the order for Private Members' Business on that day shall be suspended.

Standing Order 15-A

15-A. (1) There shall be a Business Committee to which the leader of each party in the House from time to time by written notice to the Speaker may appoint one member.

(2) During routine proceedings a Minister of the Crown may propose that the question of allocation of time for any item of business, unless otherwise provided for, be referred to the Business Committee, and upon such proposal being made that question shall stand referred to the Committee.

(3) The Business Committee shall report back to the House on or before the third sitting day following such reference.

(4) If the Chairman of the Business Committee reports that the Committee has unanimously recommended an allocation of time for the item of business or stage thereof, a Minister of the Crown may without notice propose a motion, to be decided without debate or amendment, for concurrence in the report, and, if agreed to, the motion shall have the same effect as if it were an order of the House.

(5) If the Chairman of the Business Committee reports that the committee has been unable to reach a unanimous agreement or if the committee fails to report within the time specified by Section (3) of this Standing Order, a Minister of the Crown, notwithstanding the provisions of Standing Order 41, may give notice of motion that at the next sitting of the House, provided that day is not a Wednesday, he will move that an order be made allocating the time for the item of business or stage thereof.

(6) A motion of which a Minister has given notice under Section (5) of this Standing Order shall be made during routine proceedings. Unless the debate on the motion has been previously concluded, Mr. Speaker shall at fifteen minutes before the expiry of the time provided for Government business in such sitting, interrupt the proceedings and forthwith put every question necessary to dispose of the main motion. A motion requesting allocation of time, if agreed to, shall have the same effect as if it were an order of the House.

(7) No motion made by a Minister under Sections (5) and (6) of this Standing Order shall provide for the allocation of a period of time less than two days for the second reading, two days for the committee stage, and one day for the third reading of any bill. For the purposes of this section, third reading shall be deemed to have been considered for

one day provided the order for third reading is called as the first item under Government Orders on a Monday, Tuesday, Thursday or Friday, and provided

(8) During debate on any item of business or stage thereof for which an allocation of time has been made under this Standing Order, if an amendment is proposed which in the opinion of Mr. Speaker materially changes the item of business or stage thereof and which raises any issue for which in the opinion of Mr. Speaker there has not been or otherwise will not be an adequate opportunity for discussion, Mr. Speaker may announce an extension of not more than two days to the allocated period of time.

(9) The term "allocation of time", wherever used in this Standing Order, may include the allotting of time to any item of business, to any stage thereof, or to any part thereof, and may include the fixing of limits for the length of speeches.

Standing Order 18

18(2) Except as provided in Standing Orders 43 and 56, Government Orders may be called in such sequence as the Government may think fit.

Standing Order 31

31. (2) When the business of Private Members is being considered, no member shall speak for more than twenty minutes at a time.

Standing Order 39

39. (5) Before the Orders of the Day are proceeded with, questions on matters of urgency may be addressed orally to Ministers of the Crown, provided however that if in the opinion of Mr. Speaker a question is not urgent, he may direct that it be placed on the Order Paper, provided also that the time allowed for a question period prior to the calling of the Orders of the Day shall not exceed thirty minutes, except on Mondays when the time allowed for a question period prior to the calling of Orders of the Day shall not exceed one hour.

A member who is not satisfied with the answer given to a question asked on any day at this stage, or a member who has been told by Mr. Speaker that his question is not urgent, may give notice that he intends to raise the subject-matter of his question on the adjournment of the House. The notice referred to herein, whether or not it is given orally during the question period before the Orders of the Day, must be given in writing to Mr. Speaker not later than 5:00 o'clock p.m. the same day.

Standing Order 41

41-A. Unless notice of motion has been given under Standing Order 41, any member proposing to raise a question of privilege other than one arising out of proceedings in the Chamber during the course of a sitting shall give to the Speaker a written statement of the question at least one hour prior to raising the question in the House.

Standing Order 43

43. (2) When the debate on any motion made under Standing Order 15 (2) is adjourned or interrupted the order for resumption of the same shall be transferred to and considered as the first Order under Government Orders.

Standing Order 44

44. When a question is under debate no motion is received unless to amend it; to postpone it to a day certain; for the previous question; for reading the orders of the day; for proceeding to another order; to adjourn the debate; to extend the sitting of the House; or for the adjournment of the House.

Standing Order 59

59. (4) The Chairman shall maintain order in the Committees of the Whole House, deciding all questions of order subject to an appeal to Mr. Speaker; but disorder in a committee can only be censured by the House, on receiving a report thereof. No debate shall be permitted on any decision.

Standing Order 65

65. (1) At the commencement of each session, a special committee, consisting of seven members, shall be appointed, whose duty it shall be to prepare and report, within ten sitting days, after its appointment, lists of members to compose the following standing committees of the House:

(*a*) on Agriculture, Forestry, and Rural Development, to consist of 45 members;

(*b*) on Broadcasting, Films and Assistance to the Arts, to consist of 24 members;

(*c*) on Crown Corporations, to consist of 24 members;

(*d*) on External Affairs, to consist of 24 members;

(*e*) on Finance, Trade and Economic Affairs, to consist of 24 members;

(*f*) on Fisheries, to consist of 24 members;

(*g*) on Health and Welfare, to consist of 24 members;

(*h*) on Housing, Urban Development and Public Works, to consist of 24 members;

(*i*) on Indian Affairs, Human Rights and Citizenship and Immigration, to consist of 24 members;

(*j*) on Industry, Research and Energy Development, to consist of 24 members;

(*k*) on Justice and Legal Affairs, to consist of 24 members;

(*l*) on Labour and Employment, to consist of 24 members;

(*m*) on Miscellaneous Estimates, to consist of 24 members;

(*n*) on Miscellaneous Private Bills, to consist of 24 members;

(*o*) on National Defence, to consist of 24 members;

(*p*) on Northern Affairs and National Resources, to consist of 24 members;

(*q*) on Privileges and Elections, to consist of 24 members;

(*r*) on Public Accounts, to consist of 24 members;

(*s*) on Standing Orders, to consist of 24 members;

(*t*) on Transport and Communications, to consist of 24 members; and

(*u*) on Veterans Affairs to consist of 24 members.

(2) The Special Committee shall also prepare and report with all convenient speed, lists of members to compose the following standing committees:

On Printing, to act as members on the part of this House on the Joint Committee of both Houses on the subject of the printing of Parliament, to consist of 23 members;

On the Library of Parliament, so far as the interests of this House are concerned, and to act as members of the Joint Committee of both Houses, to consist of 21 members;

Provided that a sufficient number of members of joint committees shall be appointed so as to keep the same proportion in such committees as between the memberships of the House of Commons and Senate.

(3) A majority of the members of a standing committee shall constitute a quorum unless the House otherwise orders;

Provided that, in the case of a joint committee, the number of members constituting a quorum shall be such as the House of Commons acting in consultation with the Senate may determine.

(4) The Standing Committee shall be severally empowered to examine and enquire into all such matters and things as may be referred to them by the House; to report from time to time their observations and opinions thereon; to send for persons, papers and records; and to print, from day-to-day, such papers and evidence as may be ordered by them, and Standing Order 66 shall not apply in relation thereto.

(5) Any member of the House of Commons who is not a member of a standing committee, may, unless the House or the standing committee otherwise orders, take part in the deliberations of the standing committee, but shall not vote or move any motion or any amendment or be counted in the quorum.

Standing Order 68

68-A In any standing or special committee of the House questions of order shall be decided by the chairman, subject only to an appeal to the committee.

Standing Order 99

99. No Bill for the incorporation of a railway or canal company, or for authorizing the construction of branch lines or extensions of existing lines of railways or of canals, or for changing the route of the railway or of the canal of any company already incorporated, shall be considered by the Committee on Transport and Communications, until there has been filed with the committee, at least one week before the consideration of the bill, a map or plan drawn upon a scale of not less than half an inch to the mile, showing the location upon which it is intended to construct the proposed work, and showing also the lines of existing or authorized works of a similar character within, or in any way affecting the district, or any part thereof, which the proposed work is intended to serve; and such map or plan shall be signed by the engineer or other person making the same.

Standing Order 105

105. Every private bill, when read a second time, is referred to one of the standing committees as follows: bills relating to banks, insurance, trade and commerce and to trust and loan companies, to the Committee on

Finance, Trade and Economic Affairs; bills relating to railways, canals, telegraphs, canal and railway bridges, to the Committee on Transport and Communications; the bills not coming under these classes, to the Committee on Miscellaneous Private Bills, and all petitions for or against the bills are considered as referred to such committee.

That the said amendments to the Standing Orders be continued in effect until the end of the next ensuing session unless this House otherwise orders.

HOUSE OF COMMONS

Monday, June 14, 1965

The House met at 2.30 p.m.

PRIVILEGE

MR. KNOWLES—ERRORS IN PRINTING OF PROVISIONAL STANDING ORDERS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a question of privilege, notice of which I sent to Your Honour in writing at nine o'clock this morning under the provisions of the new Standing Order 41A. I have also discussed it with Your Honour, with the officers at the table and with the Government House Leader who is unfortunately not able to be here at this moment.

My point relates to two rather major errors in the Provisional Orders which we adopted last week as printed in the appendices to Friday's *Hansard* and Friday's *Votes and Proceedings*. The first error relates to the new Standing Order 15A, the one that provides for the allocation of time. The special committee of nine which brought in a report Friday morning recommended amongst other things the inclusion of a new paragraph 9. That paragraph has been omitted from page 2309 of *Hansard* and from page 6 of the appendix to *Votes and Proceedings* for Friday. In both cases the new paragraph 9 needs to be inserted and the old paragraph 9 needs to be renumbered as paragraph 10. This error was not made in the body of *Votes and Proceedings*, but it was made in the appendix to *Hansard* and the appendix to *Votes and Proceedings* in both the English and the French editions.

The second error relates to Standing Order 6, section 2. During the discussion of this matter in Committee of the Whole on Thursday this section was amended by inserting therein a new sentence which reads as follows:

> During an extended period, as provided under the provisions of this section, no order shall be called for consideration unless such order was under consideration prior to the normal hour of adjournment.

The record of that amendment having been passed will be found in *Hansard* for Thursday, June 10, at page 2211. However, in Friday's *Hansard* at page 2307, in *Votes and Proceedings* at page 3 of the appendix and also in the body of *Votes and Proceedings* at page 224, inserting this additional sentence has resulted in a certain amount of garbling so we have several lines that really do not make any sense. This same error appears in the French editions, in the appendices to both *Hansard* and *Votes and Proceedings*, but the French edition of the body of *Votes and Proceedings* does not carry this particular error.

Obviously, Mr. Speaker, I am not attaching any blame for these errors. They are the kind of errors that could easily be made last week. It was obvious also to Your Honour when I discussed this matter with you this morning, and I am sure it will be obvious to all hon. members, that the working documents we will need for the rules of the House should be correct. I suggest, therefore, that the appendices that were added to *Hansard* and *Votes and Proceedings* on Friday might be reprinted correctly and made appendices to *Hansard* and *Votes and Proceedings* for today.

Mr. Deputy Speaker: I am sure the hon. Member for Winnipeg North Centre will agree with me that there is no valid question of privilege but a very good point of order. A close study of the appendices of both *Hansard* and *Votes and Proceedings* of Friday last confirms the printing error to which the hon. Member has referred. I assume there will be unanimous consent to the reprinting of the appendices in corrected form in today's *Hansard* and *Votes and Proceedings*.

Some hon. Members: Agreed.

[*Editor's note: For corrected provisional orders see appendix "B"*]

EXTERNAL AFFAIRS

TABLING OF COMMUNIQUÉ FOLLOWING VISIT BY PRIME MINISTER OF INDIA

Right Hon. L. B. Pearson (Prime Minister): I should like to table the joint communiqué issued after the meetings we had with the Prime Minister of India, meetings which I believe were both pleasant and productive. I should like to ask, if the House agrees, that this be printed as an appendix to today's *Hansard*.

Some hon. Members: Agreed.

[*Editor's note: For text of communiqué see appendix "A"*]

FOOD AND DRUGS

FIRST REPORT OF SPECIAL COMMITTEE

Mr. H. C. Harley (Halton): Mr. Speaker, I desire to present the first report of the Special Committee on Foods and Drugs. Later by unanimous consent I intend to move concurrence.

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

[*Later:*]

Mr. Harley: Mr. Speaker, by unanimous consent I move that the first report of the Special Committee on Food and Drugs, presented this day, be now concurred in.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, for a special reason we ask that consideration of this motion be deferred for 48 hours, as provided under the standing orders, and that regular notice be given, so that the motion might be studied in two days from now.

[*English*]

Mr. Deputy Speaker: Since there is not unanimous consent the motion cannot be put at this time.

HOUSE OF COMMONS

TABLING OF REPORT OF INTERNAL ECONOMY COMMISSION

Mr. Deputy Speaker: May I be permitted to lay before the House, on behalf of Mr. Speaker, an extract from the minutes of a meeting of the Commissioners of Internal Economy, held on June 10, 1965, relating to classification changes affecting a number of positions in the House of Commons.

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

COMMONWEALTH CONFERENCE

STATEMENT BY PRIME MINISTER RESPECTING MEMBERSHIP AND AGENDA

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am leaving later this day to attend the Commonwealth Prime Ministers' Conference which opens in London on June 17. All members of the Commonwealth will be represented at this conference by their Prime Ministers or by Ministers designated by the Prime Minister, I believe, in one or two instances.

The members of the conference will now include—and this is quite a change, as my right hon. friend will recall, from days not so long ago at Commonwealth Prime Ministers' meetings—the following in order of seniority inside the Commonwealth: Great Britain, Canada, Australia, New Zealand, India, Pakistan, Ceylon, Ghana, Malaysia, Nigeria, Cyprus, Sierre Leone, Tanzania, Jamaica, Trinidad and Tobago, Uganda, Kenya, Malawi, Malta, Zambia and Gambia; 21 members in all.

All but four of these countries have been admitted to the Commonwealth since 1947. Indeed, all but seven have joined the Commonwealth since 1957. Of the 21 members three are from Europe, if you include the islands of Cyprus and Malta—I am not certain where they belong geographically—three are from the western hemisphere, two from Australasia, four from Asia and nine from Africa.

It is not the custom at these conferences to have an agreed and formal agenda before a conference begins, but the agenda which will be submitted on Thursday by the host Prime Minister, Mr. Wilson of the United Kingdom, I think I can say without impropriety will include the following items which I have no reason to believe will not be formally adopted as items of the agenda:

(a) The world political situation, and under it the following subheadings: problems in Asia and the Far East, which will include the Indonesian-Malayan difficulty, Viet Nam, and relations generally with China.

(b) Problems in Africa, and this undoubtedly will include consideration of the question of Rhodesia and the present situation there.

(c) Problems in Europe.

(d) East-west relations generally.

(e) Disarmament and United Nations peace keeping problems.

Then the question of the progress toward independence of British dependant territories which have not yet reached independent status will come up for discussion, and it may well be that the question of Rhodesia will be discussed under this item rather than the one I have just mentioned.

Then there will be a discussion of economic affairs, the general world economic situation, the possibilities of developing inter-Commonwealth trade, and problems of economic development generally. Also, Mr. Speaker, the question of a Commonwealth secretariat, which was considered at the last meeting, will be discussed in terms of the terms of reference of the secretariat and the appointment of a secretary general.

Finally, Mr. Speaker—and this is a matter that was mentioned in the House of Com-

mons the other day—there will be discussed the question of a Commonwealth parliamentary assembly, which was suggested by the Prime Minister of the United Kingdom.

That is all I think I can usefully say about the meeting at this stage. When I return I will, of course, be happy to report to the House about the conference. I think I can say with some assurance that the meeting, which will be considering matters of very great importance to the Commonwealth and to the world in which the members of the Commonwealth play such an important part, will further strengthen the relationships among the members of this great association of free nations which now spans all the continents.

Some hon. Members: Hear, hear.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, the privilege that comes to a Prime Minister to attend a Commonwealth Prime Ministers' Conference is one of the most challenging opportunities that can come to anyone.

The Prime Minister has spoken of the tremendous growth of the Commonwealth, pointing out that of the present membership of 21 all but seven have joined since 1957. The expansion has been phenomenal, and the past informality of these conferences has been maintained despite this increase in the membership.

My first words to the Prime Minister will be words of good wishes in the mission that he goes on. I wish him Godspeed and a return with that inspiration which comes from attendance at such conferences.

He has mentioned some of the matters that will arise. One of them has to do with further transitions from colonialism to independence, and I have but one word to add in that connection. In 1961 and 1962 I took the stand in the Prime Ministers' Conference that no nation within the Commonwealth should permit itself the luxury of practising discrimination as a foundation or principle. That today is accepted, but I should like to add that in my opinion no nation, no colony desiring to join this commonwealth, should be accepted if its political philosophy constitutes support for communism. I think this is a necessary consequence and should be accepted as a principle of membership. To do otherwise would be to place the members of the Commonwealth in the position of having within their ranks those who would destroy that parliament of nations bound together neither by seal nor sword but constituting for the world an example of what freedom loving nations can achieve when operating in concert.

Mention was made of one or two matters which will come up for consideration. One is the idea of a commonwealth secretariat. As an experiment in bringing about closer unity I think a secretariat could perform a worthwhile function in providing a continuing group for the exchange of information and an understanding of the problems of other members. But I do hope we shall not give adherence to a secretariat having executive powers. The other day I asked a question regarding the Commonwealth Assembly. I had hoped we might have found some time to discuss this question. We all recall the days of Joseph Chamberlain, who envisaged a new concept of empire in which representatives of the component parts would meet at Westminster. With the passing years that concept has been outgrown and outmoded. Call it what you will, I hope the Prime Ministers will not come to a conclusion that anything in the nature of a representative or parliamentary institution should be set up within the Commonwealth.

My reasons for that are simple. First, such a step would be a retrograde one; and second, if determinations of policies were to be made or recommended, then you would have a central institution which would vote, which is the only way in which democratic assembly decisions can be made. If there is one thing that we must guard against in the Commonwealth—and this applies particularly to the Prime Ministers' Conference—it is that. We should never have a vote. If we were to establish within the Commonwealth, at the Prime Ministers' Conference, the exercise of a vote by the various component, representative countries, it would not be very long before the Commonwealth would cease to exist; for none of us, I think I can say—certainly not Canada, and I know of no other country—would accept the principle that a majority vote among Commonwealth Prime Ministers would in any way be acceptable.

Then there is a third matter, and the Prime Minister did not refer to this. It has been suggested that there should be a Commonwealth court to adjudicate on disputes that arise between member nations within the Commonwealth. Personally I think such an institution might be an effective one. I realize that there are arguments against it; but at the same time when I think of the situation now existing between India and

Pakistan in reference to the Rann of Kutch area and other disputes that I could speak of, I ask myself whether there is any reason that the nations of the Commonwealth should not be able to make one further advance and bring about the establishment of a court, a constitutional court if you will, to deal with matters arising between Commonwealth countries.

I am not going to say anything about the unfortunate events of the last two or three days in Ottawa in connection with this matter, but I do feel that so long as there are disputes between the member nations of the Commonwealth and no means of solving them except through the instrumentality of the Prime Ministers' Conference and other diplomatic, behind the scenes discussion, the acceptance of the principle of a Commonwealth constitutional court is not beyond possibility. It might indeed provide for the settlement of matters that at the present time seem almost insoluble.

I would repeat to the Prime Minister what I said earlier. We wish him well. We hope the conference will be a success. These conferences pass from year to year creating new precedents. My own impression is that we are closer in the Commonwealth today than we were 15 years ago, and the reason for that relationship is the fact that each of the nations endeavours to understand the other and under the Queen, either as Sovereign or as head of the Commonwealth, we bring before the world an example of what nations dissimilar in colour and religion, from all parts of the world and in all states of economic development, can achieve when there is a will to do so.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I am sure we all desire to thank the Prime Minister for giving us some idea of the various items which will be discussed at the Commonwealth Prime Ministers Conference, and I am sure the people of Canada hope the results of these consultations and deliberations will be beneficial not only to Canada but to the world at large.

In these days of power blocs there is a good deal of cynicism about the role which a free association of free nations can play in world affairs. My own personal view is that the Commonwealth has an important role to play. While it does not have a central government and is not bound together by binding treaties, it does bring together Governments of peoples from every part of the world including Asia, Africa, Europe, the western hemisphere and Australasia, and enables peoples of many tongues and races to meet together with a common loyalty to common democratic objectives.

I think such a meeting cannot do anything but good. Only time, of course, will prove whether or not this free association of free people can play an important part in world affairs. I feel certain that in view of the type of men who will be representing the Commonwealth at this conference they will be capable of making a great contribution.

I am glad to see that the matter of Commonwealth trade is going to be discussed. Commonwealth trade is unfortunately very much like what Mark Twain said about the weather; everybody talks about it, but not very much is done about it. There are great possibilities within this field, and Canada with its present imbalance of payments could benefit from expanded Commonwealth trade. I trust out of these discussions some policies and trade negotiations will be set up which will increase Canada's trade with other parts of the Commonwealth.

I hope the same opportunity will be given for discussions in respect of external aid within the Commonwealth. As the Prime Minister knows, I have frequently suggested that one of the things Canada might well consider is concentrating its external aid efforts on Commonwealth countries within the western hemisphere, adopting them as our special consideration. I am not suggesting that we should do less elsewhere but that we should do more for those small nations that have very serious economic problems and that are at our back door. In this category there are both French and English areas in the western hemisphere. These are areas which we could help very easily, and with which we have close contact. This is one area of assistance that might be discussed at this Conference.

I am sure all Members of this House, certainly the Members of this group, wish the Prime Minister well as he goes to the Conference. We trust and are sure that Canada will be ably represented, and we are proud to have the Prime Minister speak on behalf of the people of Canada. We wish him well and hope he will have a very happy and successful trip.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, it is a privilege to join with others in this House in thanking the Prime Minister for outlining the program he expects to be dealing with at the coming Commonwealth Conference, and also in wishing him success

in the particular role, of which I am very conscious, that he will be carrying on at this particular Conference. We know of the number of delicate problems which will be dealt with and the rather unique position he presently holds in the confidence of the Prime Ministers of the Commonwealth. We know also the responsibility he faces and that this Conference will not be an easy one.

It is rather significant that this Conference is to be held just preceding the Afro-Asian Conference. Last year the Commonwealth Prime Ministers' Conference was held just before the African Unity Conference at Cairo, and we know how much influence the Commonwealth Conference had on some of those who played an important role in the OAU Conference. It might likewise be anticipated that this Conference will have a good influence on the outcome of the Afro-Asian Conference which follows it.

It is also rather unique that this year—and I think this places special focus on the importance of this years' Conference—is the 750th anniversary of the Magna Carta and the 700th anniversary of the first parliamentary government. Certainly there is a tremendous lesson in this fact particularly for the newer members of the Commonwealth. There is no doubt that the greatest heritage we have from Great Britain is that tradition of parliamentary Government such as we follow here in our parliamentary set-up. This is something very necessary today in the world if the freedoms of the individual and the potential development of free democratic processes are to be fulfilled in these newer countries as well.

I found the remarks of the Leader of the Official Opposition interesting when he referred to the fact that, if things continue as they are now, it might well be possible that the Commonwealth will include a nation with a communist-inclined government. I join with him in questioning whether such could be possible in view of the tradition of parliamentary democracy that is so characteristic of the Commonwealth. It is important, however, to remember that in respect of these problems he voiced there are similar conditions at present which might be just as difficult to reconcile with a parliamentary Government and which threaten to remove from some of the associated Commonwealth nations some of the genuine freedoms of a democratic way of life.

We noted that the Prime Minister mentioned a number of the important items on the agenda. We are particularly conscious of the decision that is to be made as to whether there is to be a Commonwealth secretariat. It was of interest to note this morning that the Australian Prime Minister has already voiced his opposition to such a set-up. On the other hand, we in Canada have one of the leading contenders for the position of Secretary General of such an organization. Certainly the future of the new Commonwealth is closely related to this decision, and to the decision as to whether there might be a Commonwealth parliamentary assembly.

These decisions, I am sure we all agree, are those which will determine the direction the Commonwealth will take in future years. I am sure that out of this current meeting decisions will be forthcoming which will set the course for the new Commonwealth which I am confident is going to emerge, and which must come about if in the years ahead it is to carry out its responsibility with the same degree of success it has had in past years.

Therefore we join with all Members of this House in wishing the Prime Minister and those who will accompany him great success at this very important and responsible meeting of the Commonwealth.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, the right hon. Prime Minister (Mr. Pearson) will soon leave to attend the conference of the Commonwealth prime ministers. I hope he arrives in London in time to attend the decoration ceremony of the "Beatles" who were made members of the Order of the British Empire. In my opinion, this will be a memorable ceremony, and the Prime Minister of Canada should attend it.

Some 40 years ago, more precisely at the end of the first World War, my father was created commander of the Order of the British Empire. But times have changed since; we do not hear any more about the British Empire, except as regards decorations. We hear about the Commonwealth; the institution formerly called the British Empire has become a democratic association of free countries which discuss on an equal footing their common problems.

I express the wish that the discussions which will take place at the forthcoming commonwealth Prime Ministers' conference will benefit all member countries.

The Prime Minister referred to the possible setting up of a commonwealth parliamentary assembly. I wonder what would be the purpose of establishing such an assembly, when

we already have the commonwealth parliamentary association, an informal association without any official jurisdiction.

What problems would this commonwealth parliamentary assembly discuss? Would it have to make certain decisions on behalf of commonwealth countries? Which matters would come under its jurisdiction?

Mr. Speaker, I wonder if that type of Commonwealth Assembly is indicated, or if it would not rather tend to withdraw certain privileges from each of its members.

I do wish the Prime Minister an excellent trip to England. I am sure the members of the house will, in the meantime, endeavour to accomplish as much as possible in the way of adopting legislation so that, upon his return, he can give us a report on his trip and the discussions that will have taken place. I also hope the legislative program he proposed last week will have been completed, for the welfare of the Canadian people, and that he will be pleased with the work performed during his absence from the house.

We, therefore, wish him "bon voyage" and, in the meantime, we will attend to adopting as many legislative measures as possible.

[*English*]

Mr. Pearson: Mr. Speaker, perhaps I may be permitted to thank my right hon. friend and the other party leaders for their good wishes, and to assure them I am looking forward to the conference. I will work hard in London, right through the dinner hour if necessary, and I am looking forward to my return with even greater anticipation.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

REPRESENTATIONS BY ASSOCIATION OF OPTOMETRISTS

Question No. 43—**Mr. Lambert:**

1. Did the Minister of National Health and Welfare receive a delegation from the Canadian Association of Optometrists on March 23, 1965, and did this delegation meet other members of the Cabinet?
2. What was the nature of the representations made?
3. What is the Minister's reaction and is it anticipated that early decisions in regard to them will be called for?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): 1. It was not possible for the Minister of National Health and Welfare to meet with the delegation from the Canadian Association of Optometrists on March 23, 1965. However, at the Minister's request, this delegation did meet with the Deputy Minister of National Health on April 7, 1965.

2. The delegation from the Association expressed its views on the recommendations made by the Royal Commission on Health Services.

3. The views of the Canadian Association of Optometrists are being given the same careful consideration as is being extended to those of all interested parties.

SURVEY OF HARBOUR, SYDNEY, N.S.

Question No. 107—**Mr. Muir (Cape Breton North and Victoria):**

1. Is the government now making a survey of the Sydney harbour and its facilities?
2. Who is in charge of such a survey; what is the purpose of the survey and what is the estimated period of time it will take to complete the survey?
3. What is the cost; when will the results be known and to whom will the results be made available?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): 1. A study on the ground was made last fall which has since been revised on the basis of later information.

2. The study was conducted by the interdepartmental group made up of officials of the Departments of Transport and Public Works. Its purpose was to examine proposals for harbour improvements that had been made by local interests.

3. No costs specific to the study were incurred. They were covered by normal departmental arrangements. The report was for the information of the Government.

RENTAL FOR RUNNING RIGHTS, PRINCE ALBERT—DEBDEN, SASK.

Question No. 260—**Mr. Cadieu (Meadow Lake):**

1. What rentals does the C.P.R. pay the C.N.R. for running rights over the C.N.R. line from Prince Albert to Debden, Saskatchewan?
2. Are these rentals paid annually and, if not, in what manner are the rentals paid?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): The Management of Canadian National Railways advise as follows:

1 and 2. The Canadian Pacific shares in the operating cost on a wheelage basis and also contributes 50 per cent of the interest on the capital valuation. Rental payments are predicated on the principles of the original agreement dated September 17, 1930, and supplements thereto; payments vary from month to month dependant upon the propor-

tion of use made of the facilities by Canadian Pacific Railway Company.

OWNERSHIP OF RAILWAY LINE, NORTH BATTLEFORD-MEDSTEAD, SASK.

Question No. 261—**Mr. Cadieu (Meadow Lake):**

1. Do the C.P.R. and the C.N.R. own a railway line jointly from North Battleford to Medstead, Saskatchewan?
2. If not, what rental payment does the C.P.R. pay the C.N.R. for travelling rights?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): The Management of Canadian National Railways advise as follows:

1. No, the line of railway is owned by the Canadian National Railways.

2. The Canadian Pacific shares in the operating cost on a wheelage basis and also contributes 50 per cent of the interest on the capital valuation. Rental payments are predicated on the principles of the original agreement dated November 15, 1932. Payments vary from month to month.

LENGTH OF PRESENT PARLIAMENT

Question No. 378—**Mr. Chapdelaine:**

How long will this Parliament last?

Right Hon. L. B. Pearson (Prime Minister): Section 50 of the British North America Act provides that "Every House of Commons shall continue for Five Years from the Day of the Return of the Writs for choosing the House (subject to be sooner dissolved by the Governor General), and no longer." Thus the present Parliament can legally continue until May 8, 1968. Whether it will be dissolved at an earlier date depends on conditions and contingencies that cannot now be predicted or scheduled with certainty.

PILOTS EMPLOYED, SARNIA-PORT WELLER DISTRICT

Question No. 382—**Mr. Smith:**

1. How many Canadian pilots were employed in the Sarnia-Port Weller district in the 1964 shipping season?
2. How many Canadian pilots will be employed in the Sarnia-Port Weller district in the 1965 shipping season?
3. On an average, how many hours did each pilot work in the 1964 shipping season?
4. Did these pilots come within the terms of the Labour Standards Act and, if so, what steps, if any, are being taken so that their hours of work will comply with the provisions of this Act?

Hon. Maurice Lamontagne (Secretary of State): I am informed by the Department of Transport and the President of the Privy Council as follows:

1. 33 Pilots.
2. 40 Pilots.
3. 2,733.5 hours on assignment, which includes actual pilotage, time in open water and waiting time on board ship in ports.
4. The Labour Standards Act did not become effective until April 1, 1965, and consequently pilots could not have come within its provisions in the 1964 season. It has been stated in the House by the Minister of Labour that, while the provisions of the Labour Standards Act do not apply in law to employees of the federal government, the principles set out in the law are accepted as the policy of the government in relation to its own personnel. The effect of the application of the hours of work provisions of the Act to the pilots employed in the Sarnia-Port Weller district is being examined along with the other problems relating to other groups, but no decision has yet been reached on this point.

ARDA EXPENDITURES BY PROVINCES

Question No. 467—**Mr. Dionne:**

What were the amounts spent each year in each of the provinces of Canada under the ARDA program since its implementation?

Hon. Maurice Sauvé (Minister of Forestry): The figures stated on page 2320 indicate federal funds only expended since the implementation of the ARDA program. However, the provinces have contributed a like amount but this information is not available.

Questions

Expenditures under the ARDA Program
up to March 31, 1965

Province	1962-63	1963-64	1964-65	Total
Newfoundland	$ —	$ 96,365	$ 366,237	$ 462,602
Prince Edward Island	14,984	52,004	136,652	203,640
Nova Scotia	29,862	90,877	255,026	375,765
New Brunswick	62,101	155,878	364,001	581,980
Quebec	216,650	1,090,623	3,114,882	4,422,155
Ontario	—	75,201	245,451	320,652
Manitoba	56,531	787,650	871,118	1,715,299
Saskatchewan	161,673	1,105,063	2,413,374	3,680,110
Alberta	—	241,996	549,161	791,157
British Columbia	—	103,417	279,598	383,015
Federal (National basis)	17,302	170,148	523,801	711,251
TOTAL	559,103	3,969,222	9,119,301	13,647,626

DETAILS OF SEALING OPERATIONS

Question No. 538—**Mr. Muir (Cape Breton North and Victoria):**

1. What was the yearly revenue, since 1954, for seal fisheries for Prince Edward Island and for the Magdalen Islands?

2. What was the number of ships engaged in sealing in the Gulf during the 1965 season?

3. How many aircraft sealing licences were issued for 1965?

4. What was the exact number of "white coats" taken in the Gulf in 1965 and, how many were taken (a) by each boat (b) by each aircraft?

Hon. H. J. Robichaud (Minister of Fisheries): 1. In the period 1954 to 1964, landings of seals in Prince Edward Island were reported for only three years, in which value to fishermen was as follows: 1958, $15,000; 1962, $70,200; 1964, $29,900.

On the Magdalen Islands, the value to fishermen during the same period was as follows: 1954, $14,600; 1955, $1,500; 1956, $101,700; 1957, $26,800; 1958, $23,800; 1959, $7,300; 1960, $42,400; 1961, $4,900; 1962, $29,700; 1963, $244,000; 1964, $517,600. Information for 1965 not yet available.

2. 11 small, 8 large.

3. 50.

4. In Gulf Area 2 as established by the Seal Protection Regulations there was a quota of 50,000, which was all taken. Final figures as to number of seals taken by boat and aircraft in this Area and in balance of Gulf are not yet available.

FOREIGN SHIPS IN SEALING OPERATIONS

Question No. 539—**Mr. Muir (Cape Breton North and Victoria):**

1. How many foreign ships have been sealing in the Gulf area for each year since 1954?

2. Were the Canadian sealing ships' crews wholly composed of Canadians?

3. After the seal skins are purchased from the sealers, where do they end up and more specifically, in which country and through which channels?

[Mr. Sauvé.]

4. Does Canada re-import seal skins, as such, or processed into coats, souvenirs, boots and other articles?

Hon. H. J. Robichaud (Minister of Fisheries): 1. Years 1953 to 1963—1 in each year. 1964—4; 1965—nil.

2. In the Seal Protection Regulations there is no nationality requirement for issuance of a sealer's licence; hence, no information is available.

3. In 1964 Exports of seal skins (raw) from Canada were as follows:

Country	Number	Value
United Kingdom	25,384	$385,144
Austria	10	324
Belgium, Luxembourg	689	15,545
West Germany	4,131	110,694
Norway	1,675	25,223
Switzerland	25	988
Puerto Rico	5,587	77,976
United States	6,136	56,555
	43,637	$672,449

4. No information available.

YOUTH ALLOWANCE PAYMENTS

Question No. 558—**Mr. Doucett:**

1. What was the amount paid in Youth Allowances in the first six months the program was in effect?

2. What was the total number of recipients of Youth Allowances for the first six months the program was in effect?

3. What was the total number of recipients of Youth Allowances for each province, for the first six months the program was in effect?

4. What was the total amount paid in the first six months in each province?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): 1. $22,945,494.

2. Youth allowances recipients as at the end of February, 1965—397,321.

Questions

Province	3. Recipients as at February 28, 1965	4. Amount $
Newfoundland	13,721	747,783
Prince Edward Island	3,442	197,563
Nova Scotia	23,582	1,361,271
New Brunswick	20,154	1,159,340
Ontario	186,988	10,802,062
Manitoba	28,174	1,640,392
Saskatchewan	29,258	1,695,266
Alberta	41,392	2,396,916
British Columbia	50,135	2,917,471
Yukon and Northwest Territories	475	27,430

INTERNATIONAL JOINT COMMISSION—GREAT LAKES WATER LEVELS

Question No. 560—**Mr. Martineau:**

1. What has been the outcome of public hearings on the problem of water levels in the Great Lakes held by the International Joint Commission?
2. What solutions have been proposed by the experts appearing before the I.J.C.?
3. Is it proposed to submit the James Bay Diversion plan, commonly know as the Grand Canal Project, originated by Thomas Kierans, of Sudbury, Ontario, for discussion before the I.J.C.?
4. Has the government communicated with Premier Robarts of Ontario or Premier Lesage of Quebec, or other members of their respective governments, inviting them to participate in a co-operative study of Northern water resources and if so (a) what has been their reply (b) what would be the scope of such studies (c) would it include the feasibility of exporting water to the U.S.A.?
5. Has the government considered setting up, in co-operation with the United States and the Provinces of Ontario and Quebec, an over-all authority to study the whole question of North American water resources and to implement proposals made?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1. I have been informed by the Canadian section of the International Joint Commission that the public hearings referred to were the preliminary sessions conducted by the Commission to give the customary opportunity to those interested to submit information and views on the problem under reference. They were held in Toronto; Sault Ste. Marie, Michigan; Windsor; and Chicago. The testimony given at these sessions by the 47 witnesses who appeared and the briefs submitted are presently under study by the Commission and its advisers.

2. I have been informed by the Canadian section of the International Joint Commission that the information and proposals submitted related primarily to the need of regulation of lake levels and the effects of specific levels on the various interests involved. The statements were for the most part non-technical in nature.

3. The terms of the Great Lakes Levels Reference transmitted to the International Joint Commission by the Governments of the United States and Canada quite properly confined its investigation and study to the natural drainage of the Great Lakes which constitute international or boundary waters. The Grand Canal scheme proposed by Mr. T. W. Kierans of Sudbury involves the utilization of resources owned by the Provinces of Ontario and Quebec. It is proposed that investigation and study of this scheme and other possibilities for diversion of Ontario and Quebec waters into the Great Lakes drainage be undertaken nationally under arrangements worked out between the federal and Ontario and Quebec provincial authorities.

4. (a) The Government has communicated with the Premiers of Ontario and of Quebec inviting their participation in a co-operative study of the diversion possibilities referred to in 3 above. Both Premiers have indicated that such a co-operative study would be acceptable in principle but the Premier of Quebec has indicated reservations which require clarification before completion of mutually acceptable study terms and conditions. This clarification is in progress.

(b) The exact scope of the study remains to be determined but in general it would include examination to determine the feasibility of diversion proposals already made and of other diversion possibilities which may exist.

(c) It is not intended to include the feasibility of exporting water to the United States.

5. No.

Questions

COMMUTATION OF DEATH SENTENCES

Question No. 573—**Mr. Cowan:**

In each of the last 50 years, how many persons who had been convicted of murder, but whose sentence of hanging was commuted to life imprisonment, were confined in Canadian penitentiaries?

Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice): For each of the last 50 years, the number of persons who have been convicted of murder, whose sentence of hanging was commuted to life imprisonment and who subsequently were confined in Canadian penitentiaries, is as follows:

1915	14	1940	6
1916	9	1941	7
1917	10	1942	1
1918	8	1943	1
1919	14	1944	4
1920	13	1945	5
1921	6	1946	8
1922	8	1947	3
1923	3	1948	5
1924	10	1949	6
1925	9	1950	3
1926	2	1951	3
1927	5	1952	8
1928	7	1953	6
1929	6	1954	4
1930	5	1955	9
1931	3	1956	5
1932	5	1957	5
1933	3	1958	16
1934	5	1959	11
1935	3	1960	6
1936	4	1961	10
1937	2	1962	7
1938	8	1963	7
1939	4	1964	3

MOTOR VEHICLE PURCHASES BY DEPARTMENT OF AGRICULTURE

Question No. 584—**Mr. MacLean (Queens):**

From March 1, 1964 to May 1, 1965, how many passenger motor vehicles have been purchased by the Department of Agriculture (a) manufactured or assembled in Nova Scotia (b) manufactured or assembled in Ontario (c) imported from the United States (d) imported from other countries?

Hon. Harry W. Hays (Minister of Agriculture): Number of passenger motor vehicles purchased by the Department of Agriculture from March 1, 1964 to May 1, 1965; (a) manufactured or assembled in Nova Scotia, nil; (b) manufactured or assembled in Ontario, 210; (c) imported from the United States, nil; (d) imported from other countries, nil.

STANSTEAD, QUE.—APPLICATIONS UNDER WINTER WORKS PROGRAM

Question No. 588—**Mr. Forest:**

1. What cities, towns and villages in Stanstead County filed applications under the Winter Works Incentive Program for the 1963-1964 and 1964-1965 seasons?

2. Which applications were approved?

Hon. A. J. MacEachen (Minister of Labour): 1 and 2. Applications were received from cities, towns and villages in the County of Stanstead under the 1963-64 and 1964-65 Municipal Winter Works Incentive Program as listed hereunder. Applications were approved in the amount as indicated for each project.

1963-1964

Project Number	Municipality	Estimated Total Cost During Period of Program	Estimated Fed. Govt. Share of Payroll Costs
		$	$
Que. 1373	Ayer's Cliff (Village)	2,457	1,000
Que. 2090	Barford (Township)	1,000	500
Que. 2759	Barnston (Township)	3,000	1,500
Que. 1825	Barnston West (Without Designation)	2,000	1,000
Que. 1801	Coaticook (Town)	40,000	6,665
Que. 520	Dixville (Village)	8,500	2,725
Que. 1276	Hatley (Township)	3,000	1,500
Que. 2001	Hatley (Village)	3,019	650
Que. 1139	Magog (City)	219,200	29,288
Que. 14	Magog (Township)	15,000	7,500
Que. 228	North Hatley (Village)	4,250	1,188
Que. 1270	Stanstead (Township)	3,000	1,500
Que. 524	Ste. Catherine-de-Hatley (Without Designation)	7,100	2,300
Que. 1494	St. Hermenegilde (Without Designation)	4,500	2,250
	Total	316,026	59,566

1964-1965

Project Number	Municipality	Estimated Total Cost During Period of Program	Estimated Fed. Govt. Share of Payroll Costs
		$	$
Que. 715	Barford (Township)	1,000	500
Que. 1598	Barnston (Township)	3,000	1,500
Que. 2127	Barnston West (Without Designation)	2,000	1,000
Que. 481	Magog (Township)	15,000	7,500
Que. 1399	North Hatley (Village)	7,400	1,750
Que. 1597	Stanstead (Township)	4,000	1,500
Que. 1735	Ste. Catherine-de-Hatley (Without Designation)	5,500	2,400
Que. 1993	St. Hermenegilde (Village)	1,100	550
Que. 1639	St. Hermenegilde (Without Designation)	1,100	550
	Total	40,100	17,250

MR. JOHN RATZ—REPRESENTATIVE IN LABOUR DISPUTE

Question No. 605—**Mr. Howe (Hamilton South):**

1. Has Mr. John Ratz of the Personnel Division of the Department of Northern Affairs and National Resources been appointed to represent management on an arbitration board in the current dispute between Beach Foundries Limited of Ottawa and Local 641 of the United Auto Workers?

2. Has Mr. Ratz been given a leave of absence to participate on this board and, if so, will his salary continue during his absence?

3. Will Mr. Ratz be permitted to accept payment for his service on the arbitration board?

4. Are civil servants customarily permitted to act in a representative capacity in labour-management disputes?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1. This employee was invited to serve as company nominee on the board of arbitration in question in a private capacity. He consulted the Department before accepting the nomination and the matter was reviewed with officials of the Civil Service Commission to determine whether there was any conflict with section 86 of the Civil Service Regulations with respect to holding office outside the Civil Service. It was decided there was no such conflict and Mr. Ratz was given permission to accept the nomination in a private capacity.

2. Mr. Ratz' participation on this board will be on his own time.

3. As Mr. Ratz will be acting in his capacity of a private citizen on this arbitration board, it will be at his option as to whether or not he accepts payment.

4. The permission given to Mr. Ratz to attend the board does not reflect a change in government policy which is broadly laid down in section 86 of the Civil Service Regulations and more specifically in P.C. 3/1440 of March 21, 1951.

PUBLICATION OF "THE CANADIAN MINERAL INDUSTRY"

Question No. 610—**Mr. Caouette:**

1. What year was the publication *The Canadian Mineral Industry*, 1961 published and distributed in (a) English (b) French?

2. Is this same publication available for 1962 and 1963 in (a) English (b) French?

3. If not, what are the reasons for not making this publication available?

Hon. W. M. Benidickson (Minister of Mines and Technical Surveys): 1. (a) 1963 (b) 1965. Advance chapters of this volume, in the form of individual preprints, were issued earlier, beginning in May of 1962 in the case of the English edition, and in August of 1962 in the case of the French edition.

2. (a) and (b) The English edition of *The Canadian Mineral Industry*, 1962 was issued in June of 1964; the French edition is at the printing stage. Advance chapters, in the form of individual preprints, were issued to the public beginning in June and October of 1963, respectively. Both French and English editions of *The Canadian Mineral Industry*, 1963 are in varying stages of production and printing. Advance chapters were issued beginning in April of 1964 (English edition) and November 1964 (French edition).

3. Every effort is being made to speed the production of this publication. Delays in the issuing of the French edition reflect the time required for translation, editing and preparation of copy; but it is expected that with the help of additional staff it will be possible to reduce this time difference to a minimum.

GROUND WATER SURVEY IN SASKATCHEWAN

Question No. 612—**Mr. Southam:**

1. Is the federal Department of Mines and Technical Surveys presently conducting a ground water survey in Saskatchewan and, if so, in what areas are these surveys taking place?

2. If no survey is under way, when will this program be reactivated?

Hon. W. M. Benidickson (Minister of Mines and Technical Surveys): 1. Yes. The areas studied in 1965 include (a) Good Spirit Lake area, (b) South Saskatchewan Reservoir region between latitudes 50°N and 52°N and longitudes 106°W and 108°W, (c) Assiniboine drainage basin, (d) Stelman area, (e) Nokomis area.

2. Not applicable.

ESTABLISHMENT OF TEST FARM IN SASKATCHEWAN

Question No. 613—**Mr. Southam:**

1. Is it the intention of the federal government to set up a test farm in Saskatchewan and, if so, where will this farm be situated, and when?

2. Will the various levels of government share in the cost of these projects, and what is the estimated cost of each test farm?

3. Who will be responsible for the selection of the farm site?

Hon. Harry W. Hays (Minister of Agriculture): 1. As announced by the Minister of Agriculture on January 14, 1965, it is proposed to establish a series of demonstration farms across Canada. To date one has been established and while no firm plans have been made concerning the locations of the others, it is possible that one may be set up in Saskatchewan.

2. No, the Federal Government will bear the cost of establishing such farms.

Until decisions are made on the type of project that is to be conducted on each farm, it is not possible to estimate the annual operating cost.

3. The Canada Department of Agriculture.

MEMBERSHIP IN COMPANY OF YOUNG CANADIANS

Question No. 615—**Mr. Rapp:**

1. How many applications, by provinces, have been received for membership in the Company of Young Canadians?

2. When is it anticipated or planned that the selections will be made?

Mr. Jack Davis (Parliamentary Secretary to Prime Minister): I am informed by the Company of Young Canadians as follows:

1. The Company of Young Canadians has not yet invited any applications for membership nor does it yet have any formal application forms. However, about 1,500 enquiries ranging from preliminary questions to tentative applications have been received by the Company. These applications can be broken down by provinces as follows: Ontario, 45 per cent; Quebec, 9 per cent; British Columbia, 18 per cent; Alberta, 11 per cent; Saskatchewan, 5 per cent; Manitoba, 4 per cent; New Brunswick, 3 per cent; Nova Scotia, 3 per cent; Prince Edward Island, 1 per cent; Newfoundland, 1 per cent.

2. Sometime after the organizing committee has presented its report and the Company of Young Canadians has been formally established and after appropriate machinery for selection has been established.

INDIAN AFFAIRS—YUKON AGENCY ADMINISTRATION

Question No. 622—**Mr. Howard:**

1. Since June 1, 1960, has Indian Commissioner Boys visited the Yukon Indian Agency and, if so, upon what dates, for what purpose, and of what duration was his stay?

2. Since June 1, 1960, has Mr. Fred Clark of the Indian Affairs Branch visited the Yukon Indian Agency and, if so, upon what dates, for what purpose and of what duration was his stay?

3. Since June 1, 1960, has Mr. Fred Clark had any authority over Indian housing in B.C. or the Yukon and, if so, when did that authority commence, and was information to this effect communicated to one William E. Grant, former Superintendent of the Yukon Agency?

4. During the time that William E. Grant was Superintendent of the Yukon Indian Agency, did he relate to anyone, and especially to Commissioner Boys, or Mr. Appleton, any information to the effect that the administration of Indian Affairs in the Yukon Agency proceeded at times on an unorthodox basis and, if so, what action, if any, did any of the said gentlemen take?

5. During 1962, did the said William E. Grant relate to Commissioner Boys that relief funds for the Yukon were being used to assist Indian people with such matters as housing, education and handicrafts and, if so, what was the response of Commissioner Boys?

6. Did Commissioner Boys state to William E. Grant that he (Boys) knew of other instances where money allocated for one purpose was used for a different purpose and that, so long as such arrangements were of benefit to Indian people, the expenditure was not objected to?

Mr. Hubert Badanai (Parliamentary Secretary to Minister of Citizenship and Immigration): 1.

Date	Duration	Purpose
November 16, 1961	2 days	General administration
June 14, 1962	6 "	" "
February 27, 1963	4 "	" "
June 30, 1964	8 "	" "
January 18, 1965	4 "	" "

2. No.

3. Upon his appointment as Regional Supervisor of Indian Agencies for the British Columbia Region, from July 1961 until October, 1964, Mr. Clark was delegated some authority over Indian housing and all Agency Superintendents were informed of this.

4. The William E. Grant case is presently before the courts. Therefore it would be improper to provide a reply to this part of the question.

5. See (4) above.

6. See (4) above.

RESIGNATIONS FROM CENTENNIAL COMMISSION

Question No. 639—**Mr. Webb:**

1. Among personnel earning $5,000 per annum or more in the Centennial Commission (a) how many resignations have been received since January, 1965, (b) how many have been accepted, and (c) how many have not been accepted?

2. What are the names and reasons for resigning given by all Centennial Commission employees referred to in part 1?

3. Are Sam Cormier, Les Maiden, William McDonald, C. F. Prevey and Robert Hume employed by the Centennial Commission, giving in each case the salary received, the position occupied and, if required, the date and reason for resignation?

4. What position does R. L. Elliott occupy with the Centennial Commission, giving salary, brief description of duties, date of commencing employment, and previous experience relevant to employment with the Commission?

Hon. Maurice Lamontagne (Secretary of State): 1. (a) Three; (b) three; (c) none.

2. Name and Reason Given: A. J. Cormier, to accept the position of Chief of the Liaison Division in the Canadian Citizenship Branch of the Department of Citizenship and Immigration, Robert M. Hume, the fact that the Centennial Commission Visual Arts Program was assuming a considerably smaller role than was previously hoped is one determined by the Commission with careful consideration. The participation of the Commission would henceforth be minor, and the responsibility for programming, something less than could be justified under the duties of an Administrative Officer 8; J. Séguin, to accept a higher position (Administrative Officer 6) in the Department of Northern Affairs and National Resources, to be reinstated in the Civil Service and to obtain a more diverse experience.

3. Name	Salary	Position and Reason Given for Resignation
William McDonald—resigned December 14, 1964	$14,050	Chief Ceremonials Division—The position had been accepted because there were certain areas of planning envisaged for which he believed his past training and personal interest rendered him particularly useful. The situation has been changed with the result that the work for which he was responsible no longer required the specific background of knowledge which he possesses. The future program of work forecast for the Chief of the Ceremonials Division did not include those elements upon which he wished to base his final working years.
C. F. Prevey—yes	15,300	Financial Adviser and Director of Administration.
Robert Hume—resigned March 31, 1965	12,300	Visual Arts Officer—see reason given in answer to 2.

4. Director, Planning Branch, at a salary of $20,150.

His duties: to assess and evaluate centennial proposals; to plan a co-ordinated program of National projects; to implement approved projects.

He commenced employment June 24, 1963.

(a) eleven years service in the following departments of the Federal Government: Secretary of State, Reconstruction and Supply, Resources and Development, Public Works.

(b) Experience over 4½ years as Executive Director, Royal Architectural Institute of Canada.

(c) Three years as a member of the Board of Directors, Canadian Centenary Council and Chairman of the Council's Program Research Committee.

Questions

HAMILTON, ONT.—REQUEST FOR INCREASE IN WAGES OF LETTER CARRIERS

Question No. 643—**Mr. Howe (Hamilton South):**

Has the government received representations from the Federated Associations of Letter Carriers, on behalf of the Hamilton Branch thereof, urging increased wages and improved working conditions and, if so, what has been their reply?

Hon. René Tremblay (Postmaster General): No representations were received by the Post Office Department.

SALARIES OF FORMER CENTENNIAL COMMISSION PERSONNEL

Question No. 652—**Mr. Aiken:**

Of the six senior men who have recently left the Centennial Commission (a) what was their job and salary immediately before joining the Commission (b) what was their position and salary in the Commission immediately before leaving (c) for those of the six who have gone to civil service jobs, to what particular job have they gone and at what salary?

Hon. Maurice Lamontagne (Secretary of State):

(a) and (b)—January 1, 1965 to June 3, 1965

Name	Date of Resignation	Job Before Joining Commission	Salary Before Joining Commission	Last Position in Commission	Salary on Leaving
Jacques Séguin	January 31, 1965	Translator, Secretary of State	$6,840	Assistant to Secretary	$8,990
Robert Hume	March 31, 1965	Installation Officer, National Gallery	9,300	Visual Arts Officer	12,300
A. J. Cormier	April 22, 1965	Sr. Liaison Officer—Dept. Cit. & Imm.	11,800	Chief, Cultural Division	15,300

(c)

Name	Job accepted on leaving Commission	Salary of job
Jacques Séguin	Senior Staff Officer—Dept. of Northern Affairs and National Resources	$9,300
A. J. Cormier	Chief of Liaison—Dept. of Citizenship and Immigration	15,100

CONFERENCE TO FORMULATE NATIONAL HIGHWAY POLICY

Question No. 655—**Mr. Stefanson:**

Has the government plans to implement their commitment made in the House of Commons on July 17, 1963 to convene a federal-provincial conference for the purpose of formulating a national highway policy and, if so, when will this conference be convened and when does the government plan on announcing a national highway policy?

Hon. Lucien Cardin (Minister of Public Works): In view of the forthcoming federal-provincial conference during which many important facets of federal-provincial relationships will be considered, no specific plans are being made for a meeting of highways ministers.

REPORT OF COMMITTEE STUDYING QUEBEC SEPARATION

Question No. 658—**Mr. Macquarrie:**

1. When does the government expect the report of the committee (referred to by the Prime Minister in the House of Commons on June 30, 1964 and subsequently) studying the economic, cultural and social effects which might flow from the separation of Quebec from the rest of Canada?

2. Who are the members of this committee?

3. How many of them are giving full time to this study?

4. What staff is serving this committee and what is the background of experience and education of such staff personnel?

5. What persons outside the government service have been asked to serve on this committee?

6. Is it intended to publish the report?

Mr. Jack Davis (Parliamentary Secretary to Prime Minister): There is no committee with the purpose described. The appointment of an interdepartmental committee was announced on September 9, 1964 (*Hansard* page 7769). The interim report of the interdepartmental committee, which is studying the economic and social forces affecting the unity of Canada, was tabled in the House of Commons on May 7, 1965.

BUILDING TO BEAR NAME OF SIR JOHN CARLING

Question No. 667—**Mr. Ormiston:**

Was there ever a decision or an agreement of the Department of Public Works to name an appropriate specified public building after Sir John Carling?

Hon. Lucien Cardin (Minister of Public Works): Yes. The new Agriculture Headquarters Building, erected on the Experimental Farm in Ottawa, has been named the Sir John Carling Building.

FINANCING OF EXHIBITION BUILDINGS

Question No. 670—**Mr. Pascoe:**

1. Is the government's policy of Capital Grants to Exhibitions being replaced by a program of long term low interest loans for multi-purpose buildings?
2. Will these loans be available to Exhibitions this year?

Hon. Harry W. Hays (Minister of Agriculture): 1. The development of a program of long term loans to exhibitions for major construction programs is presently under consideration.

2. This is a matter of policy and will be announced in the usual manner, should such a program be introduced.

BANKRUPTCIES IN CANADA

Question No. 674—**Mr. Irvine:**

1. How many bankruptcies were filed in Canada in (a) first quarter 1962 (b) first quarter 1963 (c) first quarter 1964 (d) first quarter 1965?
2. Of the total number, what percentage were connected (a) with building business, retail and wholesale (b) with manufacturing (c) with food retailing?

Hon. Mitchell Sharp (Minister of Trade and Commerce): 1. The number of bankruptcies, estimated by the Dominion Bureau of Statistics for the first quarter of the years 1962 to 1965 inclusive is as follows:

1st quarter 1962 — 838
1st quarter 1963 — 945
1st quarter 1964 — 976
1st quarter 1965 — 950

2. The percentage of bankruptcies estimated by the Dominion Bureau of Statistics in the industries listed is as follows:

	1st Quarter 1962	1st Quarter 1963	1st Quarter 1964	1st Quarter 1965
	%	%	%	%
(a)	4.9	4.7	4.6	4.8
(b)	10.6	10.8	7.3	9.4
(c)	7.9	8.4	6.6	5.4

HIGHWAY ACCIDENTS

Question No. 686—**Mr. Grafftey:**

1. In the year 1964, how many Canadians, as the result of automobile accidents on Canada's highways (a) died (b) were injured?
2. How many of those killed were under 15 years of age?
3. How many of those injured, under 15 years of age, are now crippled?

Hon. Mitchell Sharp (Minister of Trade and Commerce): 1. All motor vehicle traffic accidents, 1964: No. died, 4,655; No. injured, 139,686.

2. Number killed, 14 years and under: 815*.
*Includes data for Quebec which relates to 16 years and under; all other provinces are 14 years and under.

3. This information is not available.

CENTENNIAL COMMISSION APPOINTMENTS MADE WITHOUT KNOWLEDGE OF COMMISSIONER

Question No. 687—**Mr. Ormiston:**

Since April 22, 1963, what was the name, classification, salary and title of each person employed by the Centennial Commission whose appointment was approved by Treasury Board or Governor in Council following submission of a formal recommendation(s) of the Secretary of State without the specific prior knowledge of the Centennial Commissioner of the intent to make such submission or without prior knowledge of the substance of each particular submission?

Hon. Maurice Lamontagne (Secretary of State): None.

PER CAPITA PERSONAL INCOMES

Question No. 689—**Mr. Gelber:**

What are the per capita amounts for the table of personal income published on page 3 in the Weekly Bulletin of the Dominion Bureau of Statistics, Volume 33, Number 21, dated Friday, May 28, 1965?

Hon. Mitchell Sharp (Minister of Trade and Commerce):

Orders for Returns

Personal income per person, geographical distribution, 1961-1964

	1961	1962	1963	1964
		dollars		
Newfoundland	934	955	1,008	1,065
Prince Edward Island	962	1,047	1,075	1,224
Nova Scotia	1,197	1,252	1,291	1,362
New Brunswick	1,064	1,109	1,145	1,246
Quebec	1,383	1,453	1,503	1,608
Ontario	1,843	1,931	2,020	2,125
Manitoba	1,513	1,686	1,681	1,796
Saskatchewan	1,222	1,692	1,871	1,683
Alberta	1,595	1,705	1,751	1,793
British Columbia	1,813	1,891	1,974	2,079
Yukon and Northwest Territories	1,324	1,282	1,308	1,341
CANADA	1,564	1,667	1,735	1,821

QUESTIONS PASSED AS ORDERS FOR RETURNS

TRANSFER OF NATIONAL EMPLOYMENT SERVICE

Question No. 373—**Mr. Fisher:**

1. Did the Minister of Labour receive a request or requests from any Civil Service Staff Association for a meeting with him to discuss the transfer of National Employment Service staff from the Unemployment Insurance Commission to the Department of Labour, if so, what was the gist of such requests and did the Minister have any meetings with staff association representatives to explain the effects this transfer may have on staff morale?

2. Since the Minister of Labour announced the transfer of the National Employment Service to the Department of Labour has there been any directives or instructions issued to field offices of the Unemployment Insurance Commission as to how they are to administrate the operations of the Unemployment Insurance Commission and the National Employment Service, either jointly, or as separate operations; if so, what was the nature of such directions and instructions and will the Minister have them tabled for the information of the House?

3. Did the Minister of Labour or any of his officials make any representations to the Civil Service Commission and Treasury Board for higher salaries to be paid the present staff of the National Employment Service; if so, what action has been taken by those two bodies to implement the Department of Labour recommendations and what will be the retroactive dates for such salary increases?

4. Have any representations been made by the Minister of Labour or his officials to the Civil Service Commission, for any or all senior positions in the National Employment Service being created since the transfer to the Department of Labour to be filled by open competition, rather than reclassify, present National Employment Service staff now occupying present supervisory and managerial positions at the various levels?

5. Has there been any instruction issued, or authority given by the Minister of Labour, Civil Service Commission or Treasury Board for a "fitness review" to be held of all or part of the National Employment Service staff transferred from the Unemployment Insurance Commission to the Department of Labour, April 1, 1965; if so, what is the gist of such instructions and authority?

6. Is it a general practice in federal government departments to conduct "fitness reviews" of regular staff; if so, are those reviews conducted through the Civil Service Commission or by officials of the department concerned?

7. What actually are the Civil Service Commission's authority and responsibility concerning reclassification of positions; are they or the department concerned responsible for interviewing present incumbents of such positions and making the necessary recommendation for or against the reclassifications?

8. Has the National Employment Service, Department of Labour, Civil Service Commission or Treasury Board, issued any instructions or directives requiring future officers positions in the National Employment Service to be filled by university graduates; if so, has there been any criteria established naming the professional fields those graduates are to be recruited from?

Return tabled.

CENTENNIAL COMMISSION—RESIGNATIONS AND PROJECTS APPROVED

Question No. 429—**Mr. Martineau:**

1. Have any officials of the Centennial Commission resigned their office and, if so (a) what are their names (b) what positions did they occupy with the Centennial Commission (c) what reasons motivated their resignations (d) have any persons been appointed to replace them and, if so, who are they?

2. How many projects have been approved by the Centennial Commission to date?

3. What is, in each case, the name of the project so approved, the province of origin and the cost thereof?

Return tabled.

ARDA PROJECTS, QUEBEC

Question No. 451—**Mr. Laprise:**

1. Since the introduction of ARDA in Quebec (a) what projects have been carried out (b) what projects are in progress, and (c) what projects are being planned?

[Mr. Sharp.]

2. What is the value of each of these projects?

Return tabled.

EDUCATION—FEDERAL GRANTS TO NEW BRUNSWICK

Question No. 564—**Mr. Dubé:**

In each year since 1960, what have been the total amounts expended by the federal government, including per capita grants, in assistance to education in the Province of New Brunswick?

Return tabled.

HMCS "DOCKYARD"—PAY FOR PREVAILING RATE EMPLOYEES

Question No. 589—**Mr. Douglas:**

1. What was the rate of pay, by classification, for prevailing rate employees at HMCS *Dockyard*, Halifax, prior to January 1, 1964?
2. What increases were granted to these employees effective January 1, 1964?
3. Have any further increases been granted since January 1, 1964 and, if so, on what date and what were the increases?
4. Were any prevailing rate employees excluded from receiving these increases and, if so, what were the reasons for such an exclusion?
5. Are driver-operators classified below labourers on the wage scale and, if so, for what reason?
6. How do the wage rates for these prevailing rate employees in Halifax compare with wage rates paid to similar prevailing rate employees in British Columbia?

Return tabled.

HALIFAX-DARTMOUTH AREA—PAY FOR PREVAILING RATE EMPLOYEES

Question No. 590—**Mr. Douglas:**

1. What was the rate of pay, by classification, for prevailing rate employees included under the Halifax-Dartmouth area rates prior to July 1, 1964?
2. What increases in wage rates have been granted to these employees since June 30, 1964?
3. What was the reason that these employees were not granted an increase effective January 1, 1964, as were the prevailing rate employees at HMCS *Dockyard*, Halifax?
4. Were any prevailing rate employees excluded from receiving this increase and, if so, what were the reasons for such an exclusion?
5. Have any increases been granted to such employees subsequently?
6. Why are prevailing rate employees of the heavy equipment section demoted to driver-operators between May 1 and October 1?
7. What is the difference in the rate of pay for heavy equipment operators and driver-operators?
8. How do the wage rates for these prevailing rate employees compare with wage rates paid to similar prevailing rate employees in British Columbia?

Return tabled.

HEALTH AND WELFARE

NATIONAL MEDICAL SERVICE—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Mr. William Dean Howe (Hamilton South): Mr. Speaker, I rise for the purpose of making a motion on a matter of public importance which in my opinion is of sufficient urgency to require immediate debate. As you know, there is a medical services insurance bill before the Ontario legislature, which is now in the committee stage. If this bill passes it will provide voluntary coverage subsidized after a means test, and with minimal benefits, all of which features are in strong contrast to the Hall Commission recommendations.

If this bill passes in its present form it will be extremely difficult, if not impossible, to implement a national medical services plan. As Ontario is Canada's largest province and has the highest per capita income, a national scheme could not possibly function without its participation. In this connection I wish to quote very briefly from the Hall Commission report.

Some hon. Members: Order.

Mr. Howe (Hamilton South): The report refers to "the danger which Canada faces if health planning and health care coverage is left solely to the initiative and financial ability of individual provinces without regard to adequate standards of health services for Canadians from one end of the country to the other". And further:

> It becomes evident that a formula must be sought on a national scale, with Federal-Provincial agreement on programs to ensure the provision and distribution of resources for the achievement of the best possible health care...for all Canadians.

This Government may wish to dissociate itself from the stand of its provincial caucus but its leader, speaking for his party, called the Ontario bill "completely inadequate" and moved to amend the bill to incorporate the principles laid down in the Hall report.

It becomes evident that this may well be Canada's last chance for a comprehensive national medical care plan. This Government has so far failed to act on the recommendations of the Hall report to provide Canadians with the care they need—

Mr. Deputy Speaker: Order.

Mr. Howe (Hamilton South): —and is now allowing a vastly inferior plan to jeopardize the possibility of such care.

Mr. Deputy Speaker: Order, please. Will the hon. Member kindly resume his seat. If

the hon. Member will consult Standing Order 26 he will note that he has to state his case as briefly as possible so the Chair may be given an opportunity to consider the matter of urgency. I do not think the hon. Member should make an argument at this time, but rather he should state what the exact question is that he wants to have considered at this time under Standing Order 26 (1).

Mr. Howe (Hamilton South): Mr. Speaker, I was just at the point of moving a motion. My remarks were merely explanatory to bring me up to this point.

I ask leave, Mr. Speaker, seconded by the hon. Member for Danforth (Mr. Scott), to move the adjournment of the House under Standing Order 26 for the purpose of discussing a definite matter of urgent public importance, namely the failure of this Government to act to provide medical services and the consequent action of the Ontario Government in implementing a plan which will ultimately be detrimental to all of Canada. The imminence of passage of that legislation is sufficient indication of emergency.

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, may I say a word about the regularity of the motion that has been proposed by the hon. Member. Standing Order 26 is quite clear. Paragraph 6 (c) of that Standing Order provides that the motion must not revive discussion on a matter which has been discussed in the same session. If the hon. Member will refer to the amendments moved already in the course of this session he will find that medicare has been the subject matter of a motion of non-confidence.

For that reason his motion falls to the ground. If an additional reason were necessary it would be sufficient to point out that such a motion cannot refer to a matter outside the competence of Parliament or the Government and his motion, of course, refers to events taking place in the legislature of the Province of Ontario.

For these reasons, Mr. Speaker, it is evident that this motion is quite out of order.

Mr. Pearson: May I rise on a point of order. We have not yet been able to see the motion which the hon. Member put forward as a matter of such great urgency. There have been no copies distributed.

Mr. T. C. Douglas (Burnaby-Coquitlam): The Minister of Labour has given two reasons why, in his opinion, this motion is out of order. The first is the fact that medicare has already been discussed, and that statement

[Mr. Deputy Speaker.]

is correct. However, the motion which the hon. Member for Hamilton South has moved does not deal with medicare by itself; it deals with medicare in relation to the fact that a plan is now being dealt with in the Ontario Legislature which, if passed, would jeopardize the establishment of a comprehensive health insurance program for Canada. Therefore the subject matter of the motion moved by the hon. Member is quite different from a general discussion of medicare such as we had in the Speech from the Throne debate.

The second objection taken by the Minister of Labour is that this deals with something outside the jurisdiction of this House. I suggest the motion does nothing of the kind. The motion deals with the failure of the Government to act on something which is directly within the purview of this House, namely the steps which are necessary to implement the recommendations of the Hall Commission. The hon. Member's reference to what is happening in the Ontario House is merely used as illustrative of the fact that the Province of Ontario, in addition to several other Provinces, is taking legislative action which if carried to its ultimate conclusion will make it very difficult to establish a national health insurance program in Canada.

May I say just a word while I am on my feet on the matter of urgency. It is now a year since the Hall Commission brought down its report. One of the recommendations of the Commission was that within six months of the report being received by the Government of Canada, a Federal-Provincial conference should be called to lay the necessary plans for the implementation of this report. This has not been done, and because it has not been done several Provinces, British Columbia, Alberta and now Ontario, are proceeding with provincial plans which in the main are to be based on administration by private professional groups and insurance companies.

Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice): I rise on a point of order, Mr. Speaker. The Minister of Labour has just brought before the House a point of order to the effect that this matter should not be heard at this time. I submit that the hon. gentleman is now arguing the question of urgency, which could only arise after Your Honour ruled on the question of order.

Mr. Deputy Speaker: The Chair would like to hear comments from hon. Members on the subject of urgency.

Mr. Douglas: Your Honour must be grateful for all the assistance you get from the Parliamentary Secretary to the Minister of Justice.

Because of the action which several Provincial Legislatures are taking it has become imperative that the Parliament of Canada should act, and act promptly, if the Hall Commission recommendations are ever to be implemented. For that reason it is urgent that this matter be discussed, and be discussed without any further delay. The fact that in the Ontario Legislature the opposition parties, both the Liberal Party and the New Democratic Party, are asking for a health insurance plan which would be Government sponsored and Government operated, as suggested by the Hall Commission, lends support to the idea that the matter of who will administer this plan should be settled now.

Our argument on urgency is that if the Government of Canada favours a Government sponsored and Government operated plan as recommended by the Hall Commission, it should say so now before provincial Governments take action which will make it virtually impossible later on to put the Hall Commission recommendations into effect.

For that reason we think this matter should be debated, and should be debated today. We feel that any further delay will work great hardship on the people of Canada and will prevent a comprehensive health insurance program being established in this country in the foreseeable future.

Mr. H. A. Olson (Medicine Hat): I suggest that the attempt to move the adjournment of the House under Standing Order 26 by the hon. Member for Hamilton South is out of order for several reasons. The first and most important one, in my view, is that it fails to involve a matter that is within the administrative responsibility of the Federal Government. Citation 100 of Beauchesne's fourth edition states very clearly that the definite matter of urgent public importance for the discussion of which a Member may ask leave to move the adjournment of the House under Standing Order 26 must involve the administrative responsibility of the Government. Quite clearly, at the present time the administrative responsibility for a medicare plan rests within the jurisdiction of the Provinces. This situation could not change unless there were agreement by the Provincial Governments to transfer that responsibility to the Federal Government.

Now, Mr. Speaker, regardless of the recommendations in the Hall Commission report, these recommendations from a Royal Commission do not transfer the responsibility for this kind of service. I suggest, therefore, that the motion fails in that respect.

The second thing and this was a point that was raised by the hon. Member for Burnaby-Coquitlam—the urgency of debate is to determine who is going to administer a medicare program for Canadians. I suggest at the moment that until there is an agreement between the Provincial Governments and the Federal Government, there is no question but that the jurisdiction lays with the Provincial Governments. This is the reason Alberta, British Columbia, Saskatchewan and now Ontario have gone ahead with these plans within the confines of their area of jurisdiction.

Citation 100 subsection 3, to which I have referred says that urgency does not apply to the matter itself, but it means urgency of debate. It goes on to say that the public interest must demand that the discussion take place immediately. Well, Mr. Speaker, we would then have to decide what substantial progress could be made as the result of having a debate today. I suggest there is absolutely no possibility of transferring jurisdiction over this matter from Provincial Governments to the Federal Government by having a debate today. The motion fails therefore, under the test of urgency of debate and should be ruled out of order.

Mr. Reid Scott (Danforth): As the seconder of the motion I want to support my colleague as strongly as I can on the important motion he has placed before Your Honour. If I may refer to the two main objections taken by the previous speaker, he first argued that administration of such an important matter as a national health plan is purely within the jurisdiction of Provincial Governments. I suggest an examination of the British North America Act makes it clear this is a field of concurrent jurisdiction. It is not restricted to the Provincial Governments.

Mr. Deputy Speaker: Order. May I suggest to hon. Members taking part in this debate at this point that they limit their comments to the question of urgency upon which the Chair seeks guidance.

Mr. Scott: I would be glad to do so. The argument has been put forward that no useful purpose could be served by a discussion of this matter in the House today and by some decision being rendered. But, Mr. Speaker, the Government of Ontario made clear a long time ago that it would have to take action in the field of health insurance in the absence of any positive leadership and any positive action by the Federal Government. Here we have another example of a Government in Canada hiding behind the B.N.A. Act in order to avoid having to take such—

Mr. Deputy Speaker: Order, please. The hon. Member for Lapointe.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, what is urgent in all that is medicare itself and not whether who is going to apply it. The urgent and important point is to see to it that every Canadian citizen can have access to medical care.

Now, today some want to make this problem an urgent one not in order to know whether Canadian citizens will have medicare, but who will administer the plan.

Alberta, British Columbia and Ontario want to apply it under their jurisdiction, but some want to hold a debate on the ground that the matter is urgent. They say the federal government must administer it, because they would like the state to interfere.

For our part, we are in favour of a system which would enable us to obtain medical care, but we object to a discussion led by the socialist, centralist and antiautonomist N.D.P. which would like the federal government to intrude once more and deprive the provinces of their jurisdiction in the field of health. We object for that reason. We do not want any such socialism or centralization, because we want the provinces to be independent and, consequently, we are opposed to the motion introduced today by the N.D.P.

[*English*]

Mr. Deputy Speaker: Order, please. The Minister of Labour has advanced a point of order which has been considered by the Chair. I think there is much to be said in support of the point made by the Minister, because the question raised by the hon. Member for Hamilton South does refer to a matter which has been disposed of previously in the course of the current session, and on this ground the motion would appear to be contrary to one of the subsections of Standing Order 26.

[Mr. Deputy Speaker.]

On the question of urgency, which is the point on which I would make my ruling at this time, I would like to refer the hon. Member who made the motion to Beauchesne, citation 100(3):

"Urgency" within this rule does not apply to the matter itself, but it means "urgency of debate".

In his argument the hon. Member did make the point that this is a very urgent matter. What the Chair has to consider at this time is whether the business of the nation would be advanced by a debate at this point, and I have very serious doubt as to whether a debate at this point in our proceedings would advance the proposition favoured by the hon. Member for Hamilton South. I suggest that the motion fails on the point of urgency, and in the circumstances it cannot be accepted by the Chair.

DOMINION-PROVINCIAL RELATIONS

QUEBEC—ADDRESS TO HER MAJESTY RESPECTING PROVINCIAL CONSTITUTION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, before the Prime Minister leaves I wonder whether he would give the House some idea as to the course he, as Her Majesty's adviser, intends to follow with regard to the address passed by the Legislative Assembly of the Province of Quebec asking for the trimming of the powers of the Legislative Council? I ask this in view of the passage by the Legislative Council of a resolution opposing favourable recommendation by the Government of Canada to the address passed by the Legislative Assembly.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the address from the government of Quebec with regard to the resolution passed by the Legislative Assembly on this matter was received by my office for transmission to Her Majesty last Friday afternoon from the Governor General in a letter forwarded by him from Vancouver. The government of Quebec's communication is therefore now before us, as a Government, and it will be discussed by the Cabinet tomorrow. After that discussion, as I will not be here, the Acting Prime Minister will be making a statement on the procedure which the Government will recommend should be followed on this matter.

Perhaps my right hon. friend could wait until we have considered this matter in the Cabinet; then a full statement will be made

in the House. I might add, however, we have not received from the government of Quebec any address forwarding the address passed by the Legislative Council. Indeed, I do not know whether the government of Quebec itself has received that address from the Legislative Council via the Lieutenant Governor.

Mr. Lambert: The counter address.

Mr. Diefenbaker: Mr. Speaker, I ask the Prime Minister to give consideration to the serious potentialities to the revision of the constitution which would result from the Government of Canada, in pursuance of whatever promise was made to the Premier of Quebec, forwarding the resolution from the Legislative Assembly with its recommendation for acceptance by the Queen. The Prime Minister said the other day that he would make a statement, and I have certainly been looking forward to hearing it in this regard.

Does the Prime Minister not know as a fact that the Legislative Council of Quebec have passed such a motion, whether or not it has been transmitted through the Government and Lieutenant Governor of Quebec? Second, if it is not passed on is there any reason constitutionally why the Legislative Council should not be able to communicate directly with the Queen?

Mr. Pearson: Well, Mr. Speaker, of course I know that an address of this kind has been passed by the Legislative Council. That is common knowledge. I just do not know, Mr. Speaker, and I would not like anything I have said to give the impression, that no action in this regard will be taken. I do not know what action the government of Quebec will take in regard to this address from the Legislative Council. That will be a factor in the consideration we have to give to this matter.

However, I assure my right hon. friend we do appreciate the importance of this matter—constitutionally, as well as from the political point of view—and the aspect of the situation he has mentioned will certainly be taken into account in the consideration the Government is going to give to this matter, a consideration it is going to give it at the first meeting of the Cabinet since formally receiving the communication of the Governor General. I can assure him a full statement will be made as soon as that consideration has been completed.

Mr. Diefenbaker: After that consideration has been given, with the legislative assembly representing only a part of the legislature of Quebec, will the House have the opportunity of expressing its views in this regard?

Mr. Pearson: The House will have an opportunity of expressing its views on this matter before any request is made of Her Majesty or of Her Majesty's Government in the United Kingdom.

EXTERNAL AFFAIRS

VIET NAM—REPORTED PROPOSALS FOR DISCUSSIONS

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): My question is addressed to the Prime Minister. Press reports say that Canada has suggested to Washington and Hanoi a new approach to discussions designed to break the deadlock over negotiations in Viet Nam. The report I have here goes on to say that the Prime Ministers of India and Canada have agreed that negotiations on the future of Viet Nam cannot begin until the bombing is stopped. Is it correct that representations have been made to Washington and Hanoi? If so, when were they made and through what channels were they transmitted?

Right Hon. L. B. Pearson (Prime Minister): That report is inaccurate in the sense that it refers to agreement with regard to a new approach. The Prime Minister of India and I discussed the various approaches we had made and which other Governments had made with a view to bringing the conflict to an end by negotiation. There was no new approach discussed, because I think every possible approach has been canvassed in the last two or three months. Therefore the latter part of the article from which the hon. gentleman has quoted is also incorrect, because no commitment of that kind was made.

Mr. Douglas: Is it the intention of the Government of Canada to make any representations to Washington suggesting that there should be a cessation of the bombing of North Viet Nam as a prelude to further peace talks?

Mr. Pearson: We have already made our position very clear to the Government of the United States, and I propose to send a report of the talks we have had with the Prime Minister of India to our embassy in Washington for transmission to the United States Government which will, I think, be interested in them.

Inquiries of the Ministry

BROADCASTING

INQUIRY AS TO CHAIRMAN OF BOARD OF BROADCAST GOVERNORS

On the orders of the day:

Mr. R. N. Thompson (Red Deer): In view of the announcement that Dr. Stewart, Chairman of the Board of Broadcast Governors, expects to retire in a few months to assume new responsibilities in connection with the University of Alberta, and in view of the importance of this post can the Prime Minister tell us before he leaves whether he hopes to be able to announce a successor to Dr. Stewart in the near future?

Right Hon. L. B. Pearson (Prime Minister): I have been aware for some time that Dr. Stewart was contemplating retirement, but it is not yet a decision and we hope we may be able to prevail on Dr. Stewart to stay for some time longer.

EDUCATION

STUDENT LOANS—REFUNDS TO QUEBEC

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, may I direct a question to the Minister of Finance?

Since he tabled last Friday a statement of the activities in the nine provinces and the two territories of the Canada Student Loans Act for 1964-65, could the minister tell us what amount was handed to the province of Quebec under that act, if Quebec made an application and if not, if the federal government gave it that amount of its own accord?

[*English*]

Hon. Walter L. Gordon (Minister of Finance): I would be glad to look into this and report tomorrow.

[*Translation*]

Mr. Grégoire: Mr. Speaker, may I ask a supplementary question?

If the Minister of Finance cannot tell us what those amounts were could he at least tell us if something was granted to the province of Quebec under that act?

[*English*]

Mr. Gordon: I would be glad to report on that tomorrow.

[Mr. Pearson.]

REDISTRIBUTION

ONTARIO—PUBLICATION OF MAPS IN WEEKLY NEWSPAPERS

On the orders of the day:

Hon. Michael Starr (Ontario): In view of the decision by the Redistribution Commission in Ontario to publish ten-page advertisements of the new maps prepared by the Commission in daily newspapers only in that Province and in view of the fact that many of the constituencies concerned are served by weekly newspapers, would the Minister bring this matter to the attention of the commission and urge them to publish such maps in weekly newspapers in the Province of Ontario as well as in the dailies?

Hon. Maurice Lamontagne (Secretary of State): I will, Mr. Speaker.

Mr. Eldon M. Woolliams (Bow River): A supplementary question. On Friday the Minister said he did not have authority to report to the House on the leak which occurred in Alberta with reference to the commission's findings before the maps were published in the Canada Gazette according to the law. What authority has the hon. gentleman for such a statement, bearing in mind that this commission has to report to Parliament and is responsible to Parliament, and that the salaries of its members are paid by this Parliament?

Mr. Lamontagne: These commissions are not agencies of the Crown. Therefore they are not accountable to the Crown. However, I have communicated with the commission in Alberta and I expect a report will be sent to me. I shall be glad to transmit it to the House should I receive it.

Mr. Woolliams: Is the Minister seeking that information or leaving it to the discretion of the commission? The hon. gentleman says he has no authority to demand an explanation. That is a matter of opinion. But is he seeking to obtain this information, or is he just passing on a request?

Mr. Lamontagne: I have been seeking the information, Mr. Speaker.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. L. E. Cardiff (Huron): I wish to address a question to the Minister of Finance. This morning I received a letter from the Women's Institute of Hensall, Ontario, asking whether

the Minister of Finance would remove the tax on exterior paint in order than anyone wanting to celebrate the centennial by painting the outside of his house might do so a little cheaper—

Mr. Deputy Speaker: Order, please.

HEALTH AND WELFARE

INQUIRY AS TO NATIONAL MEDICARE PROGRAM

On the orders of the day:

Mr. William Dean Howe (Hamilton South): My question is directed to the Minister of National Health and Welfare. In view of the imminence of the passing of the Ontario Medical Services Bill can the hon. lady make a statement as to what steps will be taken federally to provide all Canada with an adequate medicare plan?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): The hon. Member probably has reason to know that this is one of the leading items on the agenda of the conference which is to take place next month. The deliberations at this conference will culminate discussions which have been going on for more than a year regarding medicare plans for the whole of the country.

Mr. Knowles: For forty six years.

Miss LaMarsh: Also, I do not think the hon. Member could have overlooked statements I have seen in the press by both the Premier and the Minister of Health of Ontario—I have had no personal contact with them—indicating that the bill presently before their legislature is not the end of the matter. Both have indicated that their positions were flexible. It is highly possible that if there is a further scheme put forward, a scheme applicable across the country, the Ontario legislation would be amendable.

Mr. David Orlikow (Winnipeg North): I should like to ask the Minister whether at the meeting next month it is the intention of the Federal Government to make a proposal for some kind of sharing of medical costs in a national plan.

Miss LaMarsh: I do not think in the absence of the Prime Minister I am authorized to discuss a matter of Federal Government policy which has not yet been announced to the House.

INDUSTRY

MANITOBA—GRANTS TO COMPANIES IN DESIGNATED AREAS

On the orders of the day:

Mr. Robert Simpson (Churchill): I had intended to direct a question to the Prime Minister. I see he has now left the House, so I will direct it instead to the Minister of Finance. I should like to ask the Minister, in relation to the program of grants to industries locating in specific areas, whether it is the Federal Government or the Provincial Government concerned which decides the areas which are to qualify for such grants.

Hon. Walter L. Gordon (Minister of Finance): The Federal Government, Mr. Speaker.

Mr. Simpson: Can the Minister inform the House why it is that the whole of northern Manitoba has been ignored in this regard, particularly since we have such large numbers of our native Indian people in this area, most of whom are desperately in need of employment?

Mr. Gordon: I think the hon. Member has probably read the announcement of the plan and the criteria which will apply to it. As he knows, the criteria would not take into account the unfortunate position of the Indian population, who must be helped in other and more direct ways.

Mr. Simpson: Does not the Minister feel that if industries such as pulp and paper were to move to areas near these Indian reservations in northern Manitoba a great deal of employment would be created for these people?

Mr. Gordon: Yes, I am sure it would. But I do not think this kind of industry is likely to move in just because of the particular program to which the hon. Member has referred. I think another program is needed, one which will act more quickly.

TRANSPORT

DELAY IN MOVEMENT OF GRAIN FROM WESTERN CANADA

On the orders of the day:

Mr. Jack McIntosh (Swift Current-Maple Creek): On Wednesday, June 9 I directed a question to the Minister of Trade and Commerce with regard to quota distributions and the hon. gentleman said he would take it as notice. I would ask him at this time whether he is in a position to answer my question. Although the two bushel differential of which

I spoke is perhaps not very much, it represents 25 per cent of the aggregate of last year, in other words close to 100 million bushels. If this grain cannot be moved before the end of July the economy of Canada will have suffered an important loss. I wonder whether the Minister will discuss this question with his colleague the Minister of Transport and see whether the railways cannot do something to move these 100 million bushels before the end of July.

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, when I was in the west last week I had an opportunity to have some talks with the Canadian Wheat Board about this matter of quota distribution. They made it quite clear to me then that they had been rather dissatisfied with the performance in particular of the C.P.R. in moving cars, but that the situation had improved considerably and they are hopeful that the quotas can be equalized before the end of July at the highest level to which they have now been raised at some points.

Mr. McIntosh: A supplementary question, Mr. Speaker. The quotas being equalized does not mean anything. If the quota is obtained on the last day they are permitted to haul wheat, it means nothing. Although the quota stands at eight bushels, if they cannot deliver it, it does not mean anything to the economy of Canada.

CANADIAN CENTENNIAL

MEETING BETWEEN MEMBERS OF PARLIAMENT AND COMMISSION MEMBERS

On the orders of the day:

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, I should like to address my question to the Secretary of State. It has to do with the meeting of members which the Secretary of State has called for tomorrow morning at 9.30. Will it be possible to have the six or seven men who have resigned from the Centennial Commission present, so we can find out from them their views on what is happening, without any possibility of recrimination against them in civil service positions?

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, we have organized this informal committee in order to communicate to Members interested the programs and projects which are being developed for the Centennial. I do not think this should be an opportunity to inquire about those who have left.

[Mr. McIntosh.]

LABOUR RELATIONS

MONTREAL—PROPOSED APPLICATION FOR CHARTER FOR PORT COUNCIL

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Labour on a subject of continuing interest to the Members of this House and persons interested in the economy of this country. In view of the fact that Mr. Paul Hall, President of the Seafarers International Union of North America, intends to issue a charter that will provide for the formation of a port council of not less than ten unions at the present time in Montreal—over 22 have been approached—would the Minister inform the House whether this charter is being issued with the approval of the Board of Trustees of the Maritime Transportation Unions; also, does he know whether this charter has the blessing of the Canadian Labour Congress?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I have asked my officials to ascertain the information requested by my hon. friend.

FINANCE

NEW GOVERNMENT BOND ISSUE OF $325 MILLION

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to ask the Minister of Finance a question respecting the very large announcements in the press of today in connection with a new bond issue of $325 million. The advertisement also goes on to say that the Bank of Canada will acquire a minimum of $75 million of this $325 million issue. I should like to ask the Minister of Finance whether the Bank of Canada already owns $75 million worth of Government bonds that will be exchanged for the new issue, or is this an additional acquisition of Government bonds by the Bank of Canada?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, this issue plus $75 million of cash is being used to pay off an existing issue of $400 million which matures on July 1. The other $75 million to which my hon. friend refers, to be acquired by the Bank of Canada, is not to replace bonds held by the bank.

CONSIDERATION OF BANK ACT AMENDMENTS BY DOMINION-PROVINCIAL CONFERENCE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, will the Minister of Finance say whether requests have been received from any of the provinces to the effect that the Bank Act revisions which will be considered later today should be placed before the Dominion-Provincial Conference for discussion and consideration, particularly the part thereof which would deny provinces the right to own shares or stocks in chartered banks?

Hon. Walter L. Gordon (Minister of Finance): Not to my knowledge, Mr. Speaker.

Mr. Diefenbaker: Mr. Speaker, did not the Premier of Quebec ask that this subject be included as one of the subjects to be considered by the Dominion-Provincial Conference, and has that not been drawn to the Minister's attention?

Mr. Gordon: Mr. Speaker, I will be glad to review the correspondence and advise my hon. friend tomorrow.

Mr. Diefenbaker: Mr. Speaker, in view of the fact that we are about to start our consideration of this matter, I should like to know now whether it has been drawn to the attention of the Minister that as far back as April 29 the Premier of Quebec made this request. Surely the Minister is aware of that fact today.

Mr. Gordon: Mr. Speaker, the Premier of Quebec told me personally that his only concern, as far as the Bank Act is concerned, is whether pension and other funds shall be given the right to invest in a relatively moderate number of shares. In my statement —I cannot remember whether it was on the resolution or at the second reading stage— I referred to this and suggested that if the Banking and Commerce Committee, having heard the discussion, agreed to go into it and could come up with a suitable suggestion as an amendment, the Government would consider it.

AGRICULTURE

FEED GRAIN—REPORTED STATEMENT RESPECTING EASTERN AGENCY

On the orders of the day:

[*Translation*]

Hon. Théogène Ricard (St. Hyacinthe-Bagot): Mr. Speaker, I should like to direct a question to the Minister of Forestry.

Inquiries of the Ministry

Can he tell us whether his announcement regarding the setting up of a compensation board for eastern farmers with regard to feed grain, is based on a bill which was on the order paper when the Conservative government was defeated in 1963?

Hon. Maurice Sauvé (Minister of Forestry): No, Mr. Speaker.

Mr. Ricard: A supplementary question, Mr. Speaker. Could the minister give us the main outlines of that new legislation?

Mr. Sauvé: In due time, Mr. Speaker.

[*English*]

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I rise on a point of order. The Minister chose to make outside the House the announcement upon which the hon. Member based his question. Surely we have the right to find out what are the plans of the Government in this regard. It is stated in the report in *Le Devoir* that it will fulfil for eastern agriculture a function similar to that of the Wheat Board. Surely we are entitled to ask what is this plan that the hon. gentleman found it convenient to announce outside the House but refuses in the House to give information about.

Mr. Deputy Speaker: Order. Perhaps the point is well taken, but the question was asked by the hon. Member for St. Hyacinthe-Bagot and the Minister gave a reply. Of course the right hon. Leader of the Opposition has to accept the answer given by the Minister even if it is not, in the opinion of the hon. Member, satisfactory.

Mr. Diefenbaker: Possibly the hon. Member would allow me to ask a question in this connection. Does this announcement, made without details but with much fanfare, mean that in the Province of Quebec or the Province of Ontario a board will be set up for the purpose of purchasing feed grain; and having disposed of it to consumer farmers, whatever the profit may be it will be distributed to them by way of payment at the end of the crop year? Is that the meaning of this?

Mr. Sauvé: Mr. Speaker, this was not at all the topic of my presentation on Friday night. I discussed the report of the committee of the House of Commons, and brought before this audience three hypotheses or possible solutions to the problem. I will be pleased to send a copy of that speech imme-

diately to the hon. Member for St. Hyacinthe-Bagot and also to the Leader of the Opposition.

Mr. Diefenbaker: I thank the hon. gentleman, Mr. Speaker, but I have already read his speech and I did not find it any more enlightening than apparently the press did. I ask him, does he intend to set up a board operating, as he stated, in a way similar to the Wheat Board? Surely he can answer that question. He was able to speak with such pride on his potential achievement, and surely he can give us that many facts.

Mr. Sauvé: I am sorry, Mr. Speaker, but I think the hon. gentleman has not read my speech, because if he had he would have seen that the third proposal says, in French:

Mr. Diefenbaker: I read it all.

[*Translation*]

Mr. Sauvé:

Third hypothesis of action.

[*English*]

I will read slowly. On page 6 it was:

[*Translation*]

Second hypothesis of action.

[*English*]

And on page 3 it was:

[*Translation*]

First hypothesis of action.

[*English*]

I did not announce anything; I just brought before the members of that group possible solutions to this very important problem not only for eastern farmers but also for western farmers.

Mr. Diefenbaker: Just another hold-up.

Mr. Ricard: A supplementary question—

Mr. Deputy Speaker: Order. May I suggest that this is now argument.

ADMINISTRATION OF JUSTICE

REVIEW OF CRIMINAL CODE PROVISIONS RESPECTING BAIL

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I wanted to ask a question of the Minister of Justice of which I have sent him notice. On September 17 last the Minister, in answer to a question from myself, indicated that he was conducting a review of the Criminal Code including Canada's outdated procedures with respect to bail for accused individuals. In view of the urgency of reform indicated by the serious disclosures contained in an article by Professor Martin L. Friedland in the *Globe and Mail*, has the Minister completed his study, and is he now in a position to make a statement of policy to the House?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I wish to thank the hon. gentleman for having sent me notice of his intention to put that question. I must state further that I have been very much interested, and I am keeping my interest, in the articles by Professor Friedland.

As far as the study of the matter of bail is concerned, it involves many aspects. As the House knows, my own study is being pursued, but I must note for the benefit of the House that this is one of the questions which is referred to within the terms of reference of the Special Committee on Correction, and I must say it is doubtful that a policy will be disclosed in this respect until such time, whether at the beginning of its work or otherwise, as the new committee will have had occasion to report to me in this regard.

REQUEST FOR STATEMENT ON PROPOSED CHANGES IN PAROLE SYSTEM

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, because of the fact that this is the only day this week we will have an hour for questions I should like to direct a question to the Parliamentary Secretary to the Minister of Justice. On February 23 the Minister of Justice said he would make every effort to make a statement to the House on Government policy in regard to parole before the House voted on the issue of capital punishment. In view of the fact that this issue weighs heavily on the minds of many Members, will the Parliamentary Secretary ascertain whether we can still expect this statement of Government policy on parole, or whether this is another matter that will be referred to the committee of experts?

Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice): Mr. Speaker, I will be glad to pass on the inquiry.

TRADE

DUMPING DUTIES ON CHINESE TEXTILES

On the orders of the day:

Hon. E. J. Benson (Minister of National Revenue): Mr. Speaker, last week in response

to a question from the hon. Member for Qu'Appelle I undertook to obtain further details in respect of certain mainland Chinese products, the values for duty of which were the subject of recent directives pursuant to section 38 of the Customs Act.

My Department has not received any so-called "affidavits" alleging that the Chinese products involved are not comparable to the Japanese products on which the appraised values for duty were based. One interested party, however, has made oral representations with respect to one product, namely worsted fabrics, contending that in our comparison of the Chinese goods with similar Japanese goods additional allowances should have been made for quality. Although, as I stated on June 2, in making our appraisals we were cognizant of variations in quality, consideration is now being given to the representations which have been made.

It is not unusual for importers to protest departmental rulings in cases such as this, where values for duty have been increased. We are always willing, however, to consider such representations, and I might add that there are ample provisions in the Customs Act itself for the hearing of appeals and redress of grievances.

The hon. Member also wished me to consider valuing goods from mainland China on the basis of Hong Kong goods. On June 2 I mentioned that the procedure we are now using is in accordance with clause II of Memorandum I of the long term wheat agreement, which was signed by the Canadian Wheat Board and a Chinese import and export corporation in August of 1963.

Clause II provides that goods of a class or kind made in Canada shall "be valued for duty purposes on the same basis as similar Japanese goods or their equivalent, with due regard for differences in quality, finish, construction, et cetera." An exchange of interpretive notes between the signatories modified the provisions of this clause to the extent that Chinese goods could be valued on the basis of Hong Kong goods "in situations where Japanese values cannot be established." It will be obvious that Hong Kong values are to be used only as a second resort.

In view of these provisions and the availability of Japanese valuation data, the directives I issued were in terms of Japanese values. Indeed, it is usually more difficult to establish fair market values in Hong Kong than in Japan, due to the nature of the Hong Kong market, where relatively few sales are made for home consumption.

Inquiries of the Ministry

COMBINES

REPORTED SPEECH BY RESTRICTIVE TRADE PRACTICES COMMISSION MEMBER

On the orders of the day:

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, I have a question for the Minister of Justice, of which I gave him notice.

When Dr. Donald Eldon of the Restrictive Trade Practices Commission said in Vancouver that the Commission is taking a more lenient attitude toward monopolies, was he speaking with the approval of the Minister?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I again thank the hon. gentleman for sending me notice of his intention to pose this question.

It is my understanding that in his address Dr. Eldon was expressing his views as to the role of the Restrictive Trade Practices Commission under section 19 of the Combines Investigation Act, in appraising the effect on the public interest of restrictive practices alleged by the Director of Investigation and Research. The duties of the Commission being set out in the statute, the Minister of Justice does not in any way attempt to direct how these duties should be performed, nor does the Commission seek such direction. Dr. Eldon, therefore, did not obtain nor did he require my approval as to the contents of his address in this instance.

PUBLIC SERVICE

LETTER CARRIERS—REQUEST FOR SALARY INCREASES

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address a question to the Postmaster General, but in his absence perhaps one of his colleagues in the Treasury benches will bring it to his attention.

Because the letter carriers are so grossly underpaid that in sheer desperation are about to launch a work to rule program, and in view of the fact that they are leaving in substantial numbers for other better paid jobs, will the Postmaster General prevail upon his colleague to bring about substantial pay increases for these underpaid employees?

Hon. J. R. Nicholson (Acting Postmaster General): Mr. Speaker, as Acting Minister I can state that this matter has been brought to the attention of my colleague the Postmaster General and his department and is at this time receiving careful study.

Inquiries of the Ministry

Mr. R. W. Prittie (Burnaby-Richmond): I have a supplementary question. Would the Minister tell us when the Government intends to make an announcement concerning that category of employees, in view of the fact we have been told for some months that this matter has been under constant study?

Mr. Nicholson: Mr. Speaker, I will have to take that question of the hon. Member as notice, as I cannot supply any information today.

Mr. Barry Mather (New Westminster): Mr. Speaker, I have a further supplementary question. Can the Minister indicate whether the Department is aware of a statement issued today by the Federation of Letter Carriers to the effect that unless an increase is granted within a short time, it will consider a work to rule policy?

Mr. Nicholson: Mr. Speaker, I did not hear the first part of the hon. Member's question. I think I should take it as notice, at least until I have had an opportunity of reading it.

SUPERANNUATED FEDERAL EMPLOYEES—REQUEST FOR INCREASED PENSIONS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance. Has he recently—by "recently" I mean within the last few days—received a request, even a demand, from those who are today in receipt of superannuation or their dependants, if any, for increases and boosts in the amount of their superannuation allowances because of the rising cost of living? Is the Minister giving consideration to this matter, and will there be a favourable reply to the request of these people who have a most legitimate case?

Hon. Walter L. Gordon (Minister of Finance): No, Mr. Speaker, not within the last few days.

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address a question to the Minister of Finance. In view of the unprecedented rise in the cost of living amounting to 2.2 points in one year, which is working tremendous hardship on those on fixed incomes, is the Minister now considering helping those in receipt of old age pensions by granting them an increase in their pensions?

Mr. Gordon: Mr. Speaker, we seem to be getting a little far afield. I can assure my hon. friend that this matter is being given careful and continuous consideration and, as my hon. friend no doubt knows, it is being studied as a matter of priority by the Economic Council.

[Mr. Nicholson.]

Mr. Knowles: One hundred dollars a month is the answer.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I wish to direct a related question to the Minister of Finance. Has the Minister received representations, and if so what consideration is being given to them, if any, about a limited number of retired members of the Royal Canadian Mounted Police who find themselves in that particular age group not affected by the increase in basic pensions that took place in 1959 and 1960? I have in mind particularly certain men of even the rank of corporal who are now retired on the munificent sum of about $65 a month.

Mr. Deputy Speaker: Order, please. It does seem to the Chair that at this point we are going rather far afield and are now discussing questions of general policy which Ministers should not be expected to reply to at this time.

ROYAL CANADIAN MOUNTED POLICE

REPORTED STATEMENT RESPECTING INSTRUCTION IN WIRE TAPPING

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, recently the Ontario Civil Liberties Association in a brief to the McRuer Commission urged strongly that steps be taken to prohibit wire tapping. In an article which appeared last week in the *Telegram* the Commissioner of the R.C.M.P. was quoted as saying that the R.C.M.P. teaches its staff methods of electronic intrusion techniques. I wonder whether the Minister of Justice can tell us if he is aware of this, and whether the Government is giving consideration to introducing legislation to prohibit wire tapping.

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, as to the last part of the question, it is evident that this concerns a matter of eventual policy to be announced in due course, if a decision is made on the subject. As to the first part of the question concerning reference to an alleged statement by the Commissioner of the R.C.M.P., I propose to make an announcement tomorrow.

AGRICULTURE

REPORTED STATEMENT RESPECTING PROSPECTS FOR GRAIN SALES

On the orders of the day:

Mr. K. H. More (Regina City): Mr. Speaker, on a recent trip to western Canada the Minister of Trade and Commerce received some publicity for expressing the view that the future was bright for grain sales and encouraging farmers to grow a bountiful crop of wheat. Crop reports for the same date that he made these statements indicated that some 85 per cent to 90 per cent of the crop was already seeded. If the Minister is still around at the commencement of another crop planting program, will he make these announcements earlier so the farmers can take advantage of his inside information?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, I can confirm that I made the first of the statements to which my hon. friend has referred, namely that sales have been excellent and sales prospects are excellent. Perhaps it was my exuberance that led the press to infer from this that I was urging increased production. I did not do so.

Mr. Jack McIntosh (Swift Current-Maple Creek): A supplementary question, Mr. Speaker. How does the Minister intend to get this additional grain to the seaports?

Mr. Sharp: Mr. Speaker, there has never been a greater movement of grain in the whole history of this country than has taken place since this Government took office.

Mr. McIntosh: Mr. Speaker, I am sure the Minister would not want to misinform the House. The amount this year is going to be less than last year.

Mr. Lawrence Watson (Assiniboia): A supplementary question, Mr. Speaker. Is the Minister aware that a good many points on the C.N.R. are still on a five bushel quota, and the farmers are beginning to think that if the wheat is going to be moved it had better be moved pretty soon?

Mr. Sharp: Mr. Speaker, I do not know what answer I am expected to give to the hon. gentleman's question, but I can assure him that both I and the Canadian Wheat Board are doing everything possible to move as much wheat as can be moved before the closing of the present crop year.

CANADIAN BROADCASTING CORPORATION

REQUEST FOR EXTENSION OF TELEVISION SERVICE

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I should like to direct a question to the Secretary of State. In view of the recent reported statement by the Chairman of the Board of Broadcast Governors, Dr. Andrew Stewart, to the effect that the Canadian Broadcasting Corporation may inaugurate colour television early in 1967, would the Minister suggest to the C.B.C. that they carry out their program of providing network television service to the 98 per cent of the people of Canada whom the C.B.C. state they plan to serve, as the Corporation itself indicated it intended to do, before entering into the provision of colour television which it is reported will cost well over $20 million?

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, I expect to make a statement on this matter in the next few days.

BANK ACT

DECENNIAL REVISION AND EXTENSION OF CHARTERS

The House resumed, from Tuesday, May 18, consideration of the motion of Mr. Gordon for the second reading of Bill No. C-102, respecting banks and banking.

[*Translation*]

Mr. Bernard Pilon (Chambly-Rouville): Mr. Speaker, at the end of the discussion on this bill I said that the Commission should suggest that the field of mortgages be reopened to the banks, as was done in 1958. When the rates of interest were increased, some banks withdrew from those fields.

It is also strongly recommended that loans of that nature be granted, more particularly as regards already built houses, in order to alleviate the burden of small owners.

There will be more competition if the banks enter the field of mortgage loans, and the rates of interest of small and large lenders will be safeguarded.

I believe that the present rate of 6 per cent is reasonable. It is perhaps more competitive than we might believe. When the loan companies take the rate of interest into consideration, it would be superfluous to say that they lend money at a higher rate of interest for the simple reason that their loans carry greater risks.

This bill will allow banking institutions to expand and facilitate their relations with their customers. Soon during this session we will be examining further bill C-5 concerning loans granted under section 88 in order to protect small producers, who are being paid only as regards the products against which claims are not exempted.

I would like to quote what the minister said as reported on page 986 of *Hansard*:

> The Government agrees it is important to maintain Federal authority in the field of banking. Otherwise the time might come when it was no longer possible to effectively carry out national policies in a field which has been clearly assigned to the jurisdiction of Parliament. However, we feel the first step is to improve the provision of the Bank Act itself as it is applicable to the chartered banks.

In concluding, in order to reassure the board of directors of our banks concerning the maintenance of the 6 per cent rate of interest, the minister stated on May 6, 1965, as reported on page 987 of *Hansard*:

> As long as the general level of interest rates remains reasonably close to current levels, the exceptions being made in the case of mortgage loans and the customary service charges on personal loan plans should allow the banks to adopt somewhat more flexible interest rate policies on both loans and deposits. If, however, at some future time there should be a general rise in world interest rates which would make these proposals unworkable, then the Government would reconsider the 6 per cent limit.

● (4:20 p.m.)

[*English*]

Hon. Marcel Lambert (Edmonton West): I regret, Mr. Speaker, that I was having a private conversation with the Minister of Finance, and that is why I was not in my seat when the hon. Member completed his remarks.

The other day, in another context, reference was made by the hon. Member for Medicine Hat to the fact that because of a certain method of conducting its business the House, and particularly the Opposition, had prevented consideration of the changes in the Bank Act for two years. Of course the hon. Member was talking through his hat, and I am not making a pun. He was completely off base, as quite often happens in matters of this kind. After all, we know that the Porter report was only tabled and made available to the public in April, 1964, barely a year ago. Since there had been no such report for 30 years, and since the problem was so complex, the Government required time to examine it and assess public reaction as well as the reaction of the financial world. I believe it was completely wrong to say, as the hon. Member said so extravagantly, that the House had been delaying this matter for two years. I just wanted to clear up that misconception which may have arisen as a result of that remark.

Now, Mr. Speaker, at the resolution stage a number of speeches were made on behalf of all the parties in this House. I should like to say now that having had an opportunity of looking at the Bill, I think we can agree—certainly I can agree—with an editorial which appeared in the *Financial Post* in the following terms:

> For the first time in 30 years able men inside and outside government have done the detailed homework to gear our financial machinery to the future. Let us not throw away our chance.

Frankly I think, under these circumstances, as a result of the Royal Commission report, the Government has thrown away the chance. I believe that in many ways this Bill represents a timid approach to the problem. This approach is indicated by the Minister's remarks at the resolution stage. I should like to make some reference to his remarks at that time, when he said that the central theme of the report of the Royal Commission was that financial institutions, particularly banks, should have broader investment and borrowing powers and so become a more competitive and flexible system. He said that the Government was taking a long run view of this matter. The question immediately comes to mind, how long is a long run view? There are certain problems which are not going to go away merely by postponing consideration of them.

I believe one of the problems which the Government has deliberately kept away from is the control of the near banks. This was the central feature of the Royal Commission report, yet there is absolutely nothing in this Bill to cover that subject. I know that at the second reading stage the Minister said the banks represent a much larger segment of the financial community, and since they are under the central banking system the Bank of Canada has certain controls over the chartered banks, the Superintendent of Banking has certain controls over the chartered banks, and whatever control is imposed upon the chartered banks will sort of filter down to the near banks.

I hope the Minister is not serious when he says that, because I am sure he will recognize that there are a number of trust companies not under Federal jurisdiction, for instance. I say immediately that I am not

concerned primarily with the operations of those under Federal jurisdiction.

I am concerned about those that are under exclusive Provincial jurisdiction. On May 18 the Minister, rather blithely I thought, indicated that they were relying on the provincial inspection system for these companies, and if it was not up to scratch the effect would not be too great. I am afraid I cannot agree with him. I hope I am not doing him an injustice in paraphrasing his words. I am repeating the strictures I made at the resolution stage. There are some trust and loan companies operating under provincial charter and some of these Provinces have reasonably adequate inspection systems, while in other Provinces I am afraid they do not exist so effectively.

If I may, I should like to repeat what I said at page 1000 of *Hansard* for May 6, the second column:

> In my view, there are a lot of institutions that are carrying on the business of near banking that must be brought under some form of control. Frankly, their operations are very close to the line. It will only take the failure on the part of one or more of these institutions to honour their depositors' credits to start a terrible run, and a lot of people will get hurt. A number of these institutions operate on what I think is a far too narrow principle, in so far as liquid reserves are concerned. They are well over-extended in real estate and construction promotion. It would take but one or two bad breaks for the whole house of cards to tumble.

I hold the same views today. The Government evidently feels that the operations of these institutions may not have too great an effect on monetary policy or in the whole picture of the control of the volume of money. This is a debatable point, and I think it is one which might well be examined in committee. We should like to know, for instance, why the Governor of the Bank of Canada made a certain statement in this regard. It will be very interesting to see why it is thought that the operations of such institutions had such an impact on the monetary supply.

• (4:30 p.m.)

One has only to consider the remarks of the Chairman of the U.S. Federal Reserve Board the other day, a man who was speaking on behalf of the bankers. We know very well that politically there may be pressures upon him because he went counter to what is an easy credit policy in the United States, but certainly he spoke on behalf of the financial community when he said there are signs, and there can be signs, that some operations may be very dangerous. We have only to reach a flattening out, or to arrive at a plateau in certain types of developments in this country, for a lot of speculative promotions to get into trouble, including some which are being financed by the sort of organizations about which I am speaking.

The Minister indicated that the amendments to the Bank Act were going to deal only with banks. He said he did not feel the Bank Act should deal with the operations of some people who might be brought in under the umbrella if control were extended; he did not think that was a purpose of the Bank Act. I certainly do not think that trust companies which carry on trust business or other activities can escape the supervision of their quasi-banking operations. That is not logical reasoning. If it is intended that banking operations in this country be under supervision, then they too should be under that supervision.

Though the Minister gave his reasons, as recorded at page 1429 of *Hansard* on May 18, I do not think we have gone into this matter sufficiently, and we will welcome the opportunity of examining him in the Banking and Commerce Committee. Dealing seriatim with the amendments, the Minister said that the operations of the banks would be extended, and he paid tribute to their competitive position.

One does not need to go into the whole history of the banking system in Canada to realize that the banks, by and large, have done a tremendously good job. They provide a very extensive service. I believe there is a branch of a chartered bank in Canada for about every 3,500 people, whereas in the United States the ratio of banks or branches of banks is one for every 5,500 people. From personal experience I know the operations of many bank branches in Canada are not profitable; in other words the branches are not self sustaining. As a matter of fact a lot of the so-called plaza branches in shopping plazas are rendering a public service only. They do collect sums of money, but later I will be discussing the changed nature of the banking system during the past 10 years to show that the number of branches has little relationship to the profit picture. The operation of the banking system as a whole is not successful only because each branch makes a profit.

The Minister indicated that in 1960 and 1961 the banks went into the personal loan field or term plan field and, as a result, interest rates in that field dropped. That is a matter of record. I believe it is generally agreed that in the auto financing field the

average rate dropped from 16 per cent or 15 per cent to 12 per cent or 11 per cent as a result of the activities of the banks in this competitive field. The banks are to be congratulated on that, and according to the Minister's own words they are to become more competitive in the conventional mortgage loan field, primarily in residential financing. They will be allowed to place 1 per cent of their assets per year, to a maximum of ten years, in this field. This varies from a low of about $15 million per annum in the case of the Bank of Nova Scotia to around $50 million in the case of the larger banks. In the case of the Canadian Imperial Bank of Commerce it is something like $41 million.

One banking official told me that in the Province of Alberta his bank alone could get a commitment of $41 million in one month in the conventional mortgage loan field in that Province. Equally there could be secured a commitment of $40 million or more in the residential field in the Province of Ontario and in the Province of B.C. There would be nothing outstanding about that; therefore I do not think the splash is going to be quite as great as the Minister indicated.

The total assets of the Canadian banks amount to roughly $17,880 million, and at a rate of 1 per cent I presume the Minister feels something like $178 million a year would be available in the housing mortgage field from the chartered banks. Whatever is absorbed by the chartered banks in this field will diminish the direct lending financial requirements of the Government of Canada through the Central Mortgage and Housing Corporation. In some way this will relieve the Government's borrowing requirements, but I do not think this is necessarily the reason the banks should be brought into this picture.

There is a further provision reducing the cash reserve ratio from 8 per cent to 7 per cent over a period of time. This rejects entirely the Royal Commission's recommendation of various reserves allotted to specified kinds of deposits. Naturally the Government has rejected provision for an extension of the banks' services into different kinds of businesses. Certainly the banks will not be able to enter into different kinds of deposit businesses, and there will be no category of reserves in such fields. However, I may say this does not recognize that the greatest liquid requirement is under current accounts or, open deposits; that savings accounts require less and, of course, the matter of time deposits is another question entirely.

[Mr. Lambert.]

I put it to the Minister that one of the greatest sources of funds for the banks are savings accounts. There are some 12 million savings accounts in the whole system, but it is also a fact that as a percentage of bank assets, personal savings accounts have declined from 50 per cent of the assets to 47 per cent, and demand deposits have declined from 34.6 per cent in 1954 to 29 per cent in 1963.

• (4:40 p.m.)

One of the chief reasons is that so many people are now withdrawing funds from the chartered banks which they hold at a limited interest rate of 3 per cent or 3½ per cent and investing them at 6¼ per cent or 6½ per cent in some of these near banking operations. These are the people who will be hurt if there is any difficulty in the future. I think the Minister will need to tell us why he is providing for the maintenance of this one category of cash reserves.

In addition there is now to be a statutory embodiment of the secondary reserves, formerly a matter of practice. The banks will now be required to maintain funds for special emergencies; the Minister through the Bank of Canada will require them to put up these reserves to meet special situations. I am wondering why this secondary reserve should be based on the whole of the deposits, rather than limited to deposits on demand. I think the Canadian Bankers Association makes a valid point in this connection. In any event it is one upon which we shall want to examine the Minister and his advisers.

Then we come to the question of non-resident ownership. This is in keeping with the limitations imposed on trust and life companies. A limitation is to be imposed of 10 per cent of a bank's shares in connection with any one non-resident investor, and 25 per cent of such investors as a group. But we also see there is to be a 10 per cent limit on resident shareholders; no shareholder will be able to hold more than 10 per cent. These are some of the retroactive features of the act. Another retroactive feature is the requirement that the banks shall divest themselves of all but 10 per cent ownership in any companies they have organized outside their realty holding companies. This again is another feature of the measure about which the Minister will need to give some convincing explanations, because I think the

hon. gentleman can expect careful examination with regard to it.

I agree with the Minister's remarks about shared ownership and interlocking directorships. I think it is only good sense that there should not be a conflict of interest or domination of the banking system by a small, powerful group.

This limitation of shareholdings to 10 per cent in the case of resident shareholders will not apply to new banks which are being organized. But the bill does not spell out, nor have we been told clearly, how long a bank is to be considered as a "new bank". When will a bank have to regularize, so to speak, its share ownership at 10 per cent? Implicit in the Minister's remarks was a threat to control foreign currency transactions by Canadian banks. The reasons for this are not apparent from anything the Minister may have said. There is also to be a prohibition applied to the establishment by foreign banks of agencies in Canada. This has nothing to do with deposit business; we know an agency cannot accept deposits. This prevents the establishment of any agency in Canada. I do not know how others will view this provision, but the Canadian chartered banks certainly operate agencies. I think immediately of agencies in New York, Chicago and Houston. A number of our banks operate on the basis of agencies—and operate most successfully, I may say. Yet we are about to deny any foreign bank the opportunity to operate in Canada on the basis of an agency. Why is there not to be reciprocity in this regard? Is it because by operating on the basis of an agency a foreign bank would get into Canadian business?

Mr. Gordon: Just as I said.

Mr. Lambert: To what extent? Certainly there are ways of getting around this. I do not know what purpose this provision will accomplish unless it is to invite retaliation. I hate to think the Royal Bank might have to close its agencies in New York, Chicago and Houston. Certainly in the oil business there is a tremendous contact through these agencies. I believe that we in Canada, especially as far as the Province of Alberta and the oil industry are concerned, would suffer very much if such a situation ever arose. If this policy is likely to invite retaliation we want to hear the Minister tell us more about it; in particular, why he thinks there may not be retaliation.

One of the last features of the legislation on which I wish to speak has to do with new banking corporations. This, frankly, is a weird and wonderful thing which has been put before us. The Minister has said that the incorporation of banks should not be the subject of scrutiny, basing himself on abuses of procedure which he says have taken place in the past year or so. We are now to have a change. I believe this will merely be a change from the frying pan into the fire. Under clause 8 letters patent for a chartered bank may be issued by the Governor in Council. If this proposal does not possess all the trappings of patronage I do not know what does. It is certainly susceptible to patronage. I can easily imagine three or four groups applying at the same time for a charter for a new bank. We shall see what happens, particularly when the number of charters to be granted in the wisdom of the Government are less than the number of applications.

At the present time Parliament decides, and the Government exerts its influence with regard to the number of charters which come forward. I doubt whether Parliament or the Government should indulge in any paternalism, but I have placed on record—during the debate on the incorporation of the Laurentide Bank last session, I believe—the number of banks to which charters had been granted but which had never gone into business.

• (4:50 p.m.)

In any event, here we have a situation where the Government proposes that the Governor in Council shall issue letters patent and that these letters patent shall become effective on the fortieth sitting day of a session after having been laid before the House, unless the letters patent shall have been annulled. It is also provided that within 15 days after the issuance of the letters patent they shall be tabled in the House; and within 15 days thereafter a motion must be made according to form in the House of Commons, signed by at least ten Members, if the letters patent are to be annulled. A debate must then be initiated within four sitting days of the motion being made. But it does not say when the debate must terminate, and strangely enough it says that unless the letters patent shall have been annulled, they shall be in force.

In other words there is a built-in inducement for a Government filibuster. The motion would likely be from the Opposition. If the letters patent are issued by the Cabinet, certainly no ten Government Members are

going to stand in their places and put forward a motion to annul those letters patent. Therefore the motion would be from the Opposition side, and the way the Act is worded no decision on an Opposition motion is the equivalent of a negative vote on the motion and the letters patent shall not have been annulled and therefore shall become effective.

I am saying this is theoretical, Mr. Speaker. It may be that now under the rules an allocation of time order should be made, and all that; but there it is in the Act in section 8(5). This is all possible. Therefore I say this is an odd way of revamping the incorporation of chartered banks.

Of course the other place has nothing to do with it. The letters patent are issued from the Governor in Council; the House of Commons alone will have the power of annulment. There is nothing about the Parliament of Canada. In other words Parliament is being bypassed with regard to the control of banking. This Act, however, is going to be an Act of Parliament. This Act will ask the other place to forever set aside their rights respecting the control of banking and the examination of banking in so far as the incorporation of new banks is concerned.

I think we are going to require an explanation in this regard. Why was this formula chosen? Was it because of the temporary embarrassment over the formation of new banks? A few moments ago the Minister answered the Leader of the Opposition in regard to the possibility of Provincial Governments or their emanations investing in either non-voting stock or having bank stock for investment purposes in so far as university trust funds, etc., are concerned. With that part of it I would agree, and I hope we will see something instructive from the committee to this end. The Minister has been quite fair about this. But if that were the case, is it a certainty that there would be this continuing, shall we say partisan objection to the present bank charters because a certain Provincial Premier is not getting precisely what he wants and there is a certain pressure group here acting on his behalf? I do not think this should be so. I think Parliament still has the right to examine chartered banks, and what is being exchanged is going to work something like the old Biblical story of the man who had devils in his house. He left his house; it was swept clean. He returned to live with devils who were seven times more difficult. Frankly, Mr. Speaker, I think this is what is going to happen, namely that the formula now proposed is going to be even worse than the present one, because there is no safeguard except the allocation of time within the new rules, and there is no guarantee that they will continue beyond the next ensuing session; but we are writing it into the Bank Act, putting it away for ten years.

[Mr. Lambert.]

I consider it a most dubious formula, and I would much prefer to be able to carry on under the present circumstances; because I can assure the Minister that if the same philosophy prevails and this Act goes through, say at the end of this year, and the applications for incorporation come in, the same ten people can stand up, put in their motion for annulment and start the battle all over again; and without any conclusion, either. Therefore I put it to the Minister that this provision in the Act will certainly stand a lot of re-examination.

Mr. Speaker, there are many other things which I could say about the Act that I think I would like to save for the committee hearings or later. I am glad to see that the Minister has recognized the facts of life. This is quite understandable; it could have been predicted months ago that there would have to be an Act extending the provisions of the Bank Act. The Minister has asked for this extension until December 31, 1965. Even that, I think, may be shaving it a little closely; and this is something the Government has to consider. It is all very well to say that this Act shall go to the Banking and Commerce Committee, but if the Minister looks at the calendar he will realize that if there is a summer recess and Parliament does not come back until after September 17, there is going to be precious little time for this voluminous Act to be considered in committee unless there is a special effort made with regard to the committee.

This, of course, is presupposing that the Minister is not going to insist that the committee sit during the summer recess. I realize that the Banking and Commerce Committee is not yet organized. It might be organized by next week, and everyone who wishes to appear will have to be given an invitation. We know what it is like during the summer months, and if the committee does not sit then it will be sitting in October and November, subject to the difficulties of debate in December. Perhaps the session would finish by the end of November, which I suppose is a fond hope.

In view of this, Mr. Speaker, I am just wondering whether the Minister might not

be wiser in having the extension to July 1 of next year. This is not to invite extended discussion, but I am looking at the practicalities of the calendar and the consequent limitations on discussion both in committee and in this House.

• (5:00 p.m.)

Mr. Reid Scott (Danforth): Mr. Speaker, in participating during the second reading stage of this bill, let me say that it is not our intention to delay its passage at all, but that we are hopeful it will receive second reading today and be sent to the new committee, the name of which escapes me at the moment.

One of the things I want to suggest to the Minister for consideration deals with the manner in which the committee will handle this bill in its initial stages. I think an examination of the potential Members of the committee will indicate that there is only one Member who was here during the last revisions of the Bank Act in 1954, and that is my colleague the hon. Member for Nanaimo-Cowichan-The Islands (Mr. Cameron). With that exception, most if not all of the Members will be completely unfamiliar with this particular piece of legislation. Of course the bill has some 111 pages and many clauses, and I would urge the Minister to use the first week or two of the sittings of the committee as a real educational program for the Members of that committee. I am sure they would like to have the various officials of the department called to give them a complete background picture of the whole banking and monetary system in Canada. During later consideration, a great deal more headway could be made if at the preliminary meetings a reasonable number of witnesses could be called to lay before the committee a complete picture of the banking and monetary structure in Canada. It would be useful if this could be done before the committee got into detailed discussions of the Act itself.

Mr. Gordon: Mr. Speaker, I wonder whether my hon. friend would permit a question. Does he not think that perhaps the suggestion he has now made would be more appropriately made to the steering committee of the Committee on Finance, Trade and Economic Affairs when it is set up a little later this week?

Mr. Scott: No doubt this suggestion will be made to that steering committee but, knowing the influence of the Minister and his genial disposition, we thought there would be no harm in putting the bug in his ear, particularly in view of his general disposition to acquiesce in helpful suggestions made by Members of the Opposition.

Mr. Knowles: And because of his powers of persuasion.

Mr. Scott: Yes, and because of his powers of persuasion over his colleagues. In general, we hope a very clear picture will be given to the Members before they get into a detailed discussion.

We do not at this stage want to say too much about the various clauses of the bill, because they are voluminous and complicated but there are one or two matters that I want to comment on in passing. One of the main features of the bill is a provision permitting banks to get into the whole field of mortgage lending. This is a good move and one which I think will meet with general acceptance. There are, however, one or two aspects of this which we should like to refer to the Minister for his consideration, so that when he appears as a willing witness we will be able to go into these matters with him in greater detail.

We suggest to him for his consideration that the limitation of three quarters of the value of property is too low, and that some consideration might be given to permitting the banks to lend up to something closer to the 90 per cent figure of the value of the property that is being put forward. We have had various legislative items permitting this so far as private lenders are concerned, and we think it advisable to extend it to the banks.

Second, the total limit of 1 per cent per year deposit liabilities, which in actual figures would be about $160 million per year which the banks could put into mortgages, seems to us to be much too low to permit the banks to become a very significant factor in mortgage financing in Canada. Broken down, this might account for about 10,000 housing units; and it seems to us, having regard to the increase in housing requirements as forecast by the Economic Council, consideration will have to be given to raising this limitation so that banks can play a proper, adequate and influential role.

Third, there should be a requirement that a sizeable amount of funds invested in mortgages should go to financing ordinary housing. What is really needed, as the Minister is well aware, coming from an urban area, is a constant source upon which the housing industry can rely for housing financing. Previous governments tended to regard housing financing as largely a pump priming operation in respect of employment opportunities.

We have never really had in the housing field a guarantee of a constant source of financing to which we could look, and this has to a large degree accounted for the imbalance in the whole housing picture. It seems to us that if there is a larger amount available, this will be of great assistance.

Fourth, some machinery should be set up for policing mortgage lending so that it will not be used merely to raise the level of interest which can be charged on business loans. In short, the banks should not be able to deem the real property put up as security on an otherwise commercial loan, just so it can charge more than 6 per cent.

We also suggest for consideration that the Government give some thought to the establishment of regulations to be put into the Bank Act so the banks cannot avoid the 6 per cent straight limitation by either adding on extra service charges, or demanding that borrowers keep certain minimum balances in their accounts. There is a lot in the Act about secondary reserves and cash reserves, but we should like to reserve our comment in that regard until a later date.

One important provision in the Act is the provision, inserted, I gather, at the insistence of the Minister of Finance (Mr. Gordon), which will in effect prohibit Provincial Governments from owning shares in commercial banks, and certainly from exercising any degree of control over them. Personally, this is a subject in respect of which I am open to persuasion. The first thing we should like to emphasize is that in consideration of this whole problem, we are of the group which feels that nothing should be done to interfere with the ability of the Central Bank to effectively conduct the monetary and fiscal affairs of the country, and that anything which would detract from that would be unwise.

Having said that, Mr. Speaker, I find it difficult at the moment to draw a distinction between the Act incorporating three Toronto financiers into a commercial bank, and permission for Provincial Governments, or the people of provinces through their elected Governments, to have the right to participate in a bank unless, as I have said, the Minister can show that there are other considerations which enter into this, and that the fact of a Provincial Government owning a bank or having a large degree of share participation in it, in some special way will enable that Government to persuade such a bank to interfere with Central Bank Policy. Of course all we have had to date is opinion evidence from the Minister. He has given us bland assurances that this danger exists and that this legislation is necessary to overcome that danger. If the Minister can convince us that this is the case, again when he appears as a witness, we also suggest that he consider this proposition. If there are some such problems created by the special situation of a Provincial Government being involved in a bank, we might well in the committee consider whether the Bank Act could be so revised and strengthened as to overcome the danger. It might be better to direct our minds in this direction rather than to assume in the beginning that we should exclude Provincial Governments from any participation in banking activities.

As I have said, this is a very important principle of the bill. We are anxious to maintain the authority and prestige of the Central Bank and, at least for myself, we are open to persuasion on this particular aspect.

• (5:10 p.m.)

The other matter we want to comment on in passing deals with the new method of incorporating banks. I am quite prepared to concede that the present system is certainly somewhat ridiculous in that private Members, rightly or wrongly, can band together and talk out these various bank charter bills. It seems an unwise way of incorporating some of our main financial institutions. But at the same time it seems to us, subject to clarification, that the new method also raises dangers.

We have heard a suggestion that new charters will be granted by the Cabinet and we want to suggest that this lays the Cabinet open to the same problem of improper influence and improper connections in the granting of charters. Rather than creating that danger, which I suggest is a real one, it seems to us that we should give consideration in the committee to revising the procedures by which the House grants charters so that small groups could not, as has been done in the past, effectively blockade such bills. Even though I have participated in some of these debates, I am prepared to admit it is not a proper procedure and that there ought to be some form of revision.

I think we do not want to comment any further at this time because, in keeeping with the new spirit of haste and co-operation evident under the new rules, we would like to get the bill to the committee. But I do want to repeat the suggestion I made in the beginning that the Government give the committee a thorough briefing. The only other suggestion I would ask the Minister to con-

sider is that he investigate whether or not some form of insurance of safety deposit boxes against robbery cannot be established. So many people have lost their holdings in the past, because of the lack of such protection, that we would like to see whether legislation cannot be devised so that safety deposit box holders can be protected by insurance against the risk of robbery. Other than that, Mr. Speaker, we tentatively support the bill and urge that it go to the committee for careful study.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, we too would like to see the bill go to the Committee on Finance, Trade and Economic Affairs before the summer recess, and along that line we support the notice of a further extension of existing bank charters given a few days ago by the Minister of Finance. We want to ask a number of questions when the bill is before the committee and with regard to most of the proposed changes we will withhold our remarks until that time.

I see that the hon. Member for Edmonton West (Mr. Lambert) is still here, although he is near the curtain and not actually in the House. In his opening remarks he made the suggestion that I had been talking through my hat on a number of occasions with respect to the subject of banks and banking. I am not particularly interested, Mr. Speaker, in whether or not the hon. Member for Edmonton West agrees with me. What I said was that twice this Parliament has had to extend the charters of the existing banks because there was not sufficient time to deal with the required decennial revision of the Bank Act. He says now that I am talking through my hat because the report of the Porter Royal Commission was not even available to the House until February of 1964 and therefore it was impossible to do the necessary work in time to meet the deadline of June 30, 1964. It may be his opinion that there was not time, Mr. Speaker, but I suggest that if the Minister of Finance had not been preoccupied with getting his budget ready and a number of other very important duties it might have been possible for him and his department to prepare changes to the Bank Act and present them to Parliament before June, 1964. Possibly it might not have been, but what I said was that there is a requirement now that there be a deferment of two years. I stand by that, whether or not the hon. Member for Edmonton West agrees with me.

When it comes to talking through one's hat I think we all have to give the hon. Member for Edmonton West first prize because when the resolution preceding the bill was before the House on May 6 he said, as found on page 1001 of *Hansard*:

> In so far as the Alberta Provincial Treasury Branches are concerned, certainly those of us who do not share the political views of the present administration in Alberta would like to see a great deal more light shed on their operations.

Then he went on to say:

> The Provincial Treasurer merely brings in a record of the year's operations, showing either a loss or a profit. We do know that in the background there have been some rather odd things that have happened.

He went on to say that the report on the Treasury Branch system is never examined in committee, that the officers of the Alberta Treasury Branch system are not brought before a committee for examination, and so on. I have a letter here about this matter from the Provincial Treasurer of Alberta and this is what he says:

> When the Public Accounts are being studied by the Public Accounts Committee of the Legislature at each session the members have every opportunity to ask all the questions they wish regarding the operation of the branches. At the 1965 session the opposition members asked that the committee give special attention to the branches, and several senior officials attended hearings of the committee until all questions had been exhausted and fully answered.

Mr. Lambert: That is this year.

Mr. Olson: This has been the standard practice for a number of years. Whenever any members of the Alberta Legislature wished to have senior officials of the treasury branches brought before the public accounts committee they were brought before that committee and remained there as long as members of the committee had any questions they wished to ask So, Mr. Speaker, maybe these hat tricks should be left aside for a while.

Mr. Lambert: Ask the opposition in Alberta about that.

Mr. Olson: If the hon. Member for Edmonton West had nothing constructive to say about the operations of the Alberta Treasury Branch system, I suggest he would have been better off to say nothing. The fact is that the Alberta Treasury Branch system is very popular. It is providing a service that is so much in demand throughout the Province that there is difficulty in keeping up with the demand for more and more branches. At the moment the limiting factor is the train-

ing of personnel to keep up with the expansion that is being demanded.

To get back to Bill No. C-102 now before us, when the Minister of Finance made his opening statement on second reading of the bill on May 18 he said a number of things that are of very great interest to the Members of this party, and I am going to try to go over them very briefly in the same order in which he mentioned them in his statement. With regard to monetary policy he referred to the absolute size, power, control and influence of our banking institutions. We agree with that statement, but because this is so we say that the Bank of Canada and the Department of Finance ought to exercise a very large degree of control over their operations so that the Government will in fact have effective control of the monetary policy of the country.

Another point the Minister made was that while the Porter Commission recommended that the Bank Act be changed to bring under the umbrella of that legislation near banks and other institutions performing essentially the same functions as our banks are, the Government was not prepared to accept and adopt this recommendation in its entirety at this time.

• (5:20 p.m.)

Well, Mr. Speaker, we believe there are some rather large tasks ahead for the Minister of Finance (Mr. Gordon) if he is going to enact Federal legislation that will require all of these deposit taking institutions to be brought under the Bank Act. First of all, on May 18, the Minister sugested that a bank has not been clearly defined. He said, in fact, that there are several definitions of a bank at this time. In so far as the Federal Government was concerned, for the time being, they were going to more or less confine the provisions of the Bank Act to those institutions that were actually chartered by the Federal Government. I feel that is wise because of the tremendous implications inherent in an attempt to bring these near banks under the Bank Act, until we have a clearer definition.

The Minister did, however, say that at a later date there may be some other improvements made in the Bank Act, involving other recommendations by the Porter Commission. The Province of Alberta, I think, is a little apprehensive about this statement because if the Bank Act itself should be broadened to include deposit taking institutions in addition to the chartered banks in the near future, then of course we would like to know what

further action the Government proposes to take in the direction of achieving these directives. We hope there will be sufficient discussion between the Federal and Provincial Governments, and perhaps in the committee that is to study this bill, so that more light will be thrown on the further action the Government intends to take. The Minister did not spell out how much further the Government intended to go. He did not say they were going to do it in this session, as a matter of fact. This is the reason for the apprehension, because he did indicate the Government intended to go farther at a later date.

In so far as allowing the banks to go into the conventional mortgage field is concerned and allowing the banks to charge what is referred to as the going rate of interest, which could be 1 per cent or 2 per cent above the 6 per cent limit, we do not have any serious disagreement with that. We feel there is a need in Canada for larger amounts of mortgage money to keep the pace of building going, in order to provide homes of a higher standard for Canadians. We agree wholeheartedly with the Minister's statement that the Government is not going to change the 6 per cent limit on interest rates during this revision of the Bank Act. The Minister stated also, as reported on page 1430 of *Hansard* for May 18, that it was the Government's desire, in fact it was the Government's policy to keep interest rates as low as possible. He suggested, too, that if they had allowed an increase from 6 per cent to any figure above that, there could have been an immediate increase in the rate of interest to small businesses. I agree with that statement. I am not sure that I agree the Government has done all of those things it ought to have done to keep interest rates as low as possible.

It seems to me it is unnecessary for the Federal Government to be offering substantially over 5 per cent rate of interest on its own Government bonds. After all, these offerings that are made by the Minister of Finance can be considered as prime interest rates, and other interest rates move in relationship to what the Department of Finance allows on these Government bonds. These bonds are certainly prime, gilt edged securities. I am pleased to note that according to the advertisement in today's newspapers Government offerings are at perhaps a slightly lower rate of interest. The offerings on a ten months basis are going to be at 3.5 per cent; the ones for 11 months at 4.5 per cent, and the one for a year at 5 per cent. I believe those rates are slightly less than some

of the previous issues. If there is a trend in this direction, I am pleased to see it.

The Minister referred also to the fact that there is a wider dispersal of the ownership of the shares of the chartered banks. This might be the case, but I believe the actual controlling interest in the eight chartered banks is not so widely dispersed as the Minister would like Members of this House to believe. I say that, because there are some trust and loan companies that have been set up and which hold very large blocks of the voting stock of chartered banks. Unfortunately, Mr. Speaker, these same trust and loan companies have large portions of their own stock held by banks. I am pleased to note the Minister said the Government is going to take some action to do away with these interlocking directorships between these trust companies and the chartered banks.

I have some charts before me which indicate there are large blocks of bank stock owned by certain trust companies and, in turn, the same banks own controlling stock of some trust companies. This is something therefore that the Government needs to look into very carefully. I just do not accept the argument that the small shareholders of the chartered banks in Canada have any say whatever in the policies being followed by these banks. It is these blocks of votes, even if they only amount to 10 per cent, that more or less control the policies of the banks. There have been times when I believe the banks have not had their fingers on the pulse of Canada; they have not adopted policies to meet the credit demands of the rank and file of Canadians.

We know that the banks have now moved into the field of small loans, term loans and so on. This has been very useful. Prior to the banks taking this action, they fail to recognize and meet the very legitimate demands for small loans, personal loans, term loans and things of that nature. The result was that there was a tremendous expansion of these small, consumer finance companies and they were allowed to charge exorbitant interest rates. I think it is well for the banks to move into this field and to be very aggressive in picking up this business, so we do not have these loan sharks doing the kind of business they have been doing over the past few years. I hope there will be other provisions, and that there will be some teeth in them, so that there will be a wide disposal of bank shares, and furthermore that something will be done to make sure that the actual control of these banks is not restricted to an ever smaller group of people.

We note also that the annual reports of the chartered banks in Canada from now on will have to contain a great deal more information than they have in the past. This is something that is long overdue.

• (5:30 p.m.)

I note from an article in the *Financial Post* of May 15 that:

> Canada's chartered banks, whose annual reports have long been the despair of financial analysts, will have to provide more information to their shareholders if the Government's Bank Act changes are passed.

I have the reports of the Bank of Montreal, the Canadian Imperial Bank of Commerce and several others in front of me. In all of them invariably some kind of figure is put down for profit, but it always goes something like this—"After transfers to inner reserves." If you look at these reports carefully sometimes you can find what the provision may be for taxes and depreciation, but you can never find out how much they transfer to the inner reserves. Then there is another figure below that which shows the net profit, or the amount to be distributed by way of dividends "after transfers from the inner reserves."

As a matter of fact, up until now several of the figures in these bank reports have left one knowing less about their operations after reading them than before. Therefore I hope the new provisions will make mandatory the disclosure of a number of things. From now on it appears that a bank's annual financial statement will have to show the income it gets from loans, from other securities, and the amount involved in operating revenue. Thus there will be a greater breakdown of revenue than has been shown in the past, and as expenses there will be shown interest on deposits, salaries, property tax and other operating expenses. From all this, it will be possible to get a far clearer picture of the operation of banks than we have had in the past.

Concern has been expressed about the matter of provincial governments owning stock, especially common stock, in a chartered bank. There will be a difficult constitutional problem here because in essence the Federal Government is telling the provinces that they cannot invest their funds in that kind of security. Whether the Federal Government has authority to do so is questionable, but it seems to me that the influence, in fact the control that the Federal Government can exercise on the operations of the chartered banks

through the Bank of Canada is sufficient, so that there would be no transfer of responsibility for monetary policy, despite who owns the common stock.

If the Minister of Finance argues that by allowing provincial governments to own common stock in banks they may be able to have an undue influence on national monetary policy, that is tantamount to arguing that the present shareholders in chartered banks could, if they wished, have a tremendous effect on national monetary policy. He cannot have it both ways. Either the present shareholders do in fact have a tremendous influence and do in fact exercise that influence on our national monetary policy, or else there is no danger in provincial governments owning this stock.

I personally believe that the provisions of the Bank Act, even as it exists today, are sufficient to retain full and complete authority over monetary policy in the hands of the Federal Government, and I do not accept the argument that there is any inherent danger in the provincial governments owning such stock.

In the case of British Columbia, in that rapidly growing industrial complex out on the west coast, it would be beneficial to that area to have a bank with its head office there, so that it would have particular concern for the industrial and commercial expansion of that area. What is more, I believe that if the provincial government were to subscribe part of the stock, be it 10 per cent or even less, it would give to other investors in such a bank the kind of confidence and assurance needed to make sure it succeeds. I think the Minister must agree that all the Premier of B.C. asked for was authority to buy 10 per cent or less of the common stock. In my opinion that is not an unreasonable request.

In Alberta, when the Alberta Gas Trunk Line was being incorporated and when Great Canadian Tar Sands was being incorporated the provincial government insisted that the shares be first offered to Alberta residents, and that was sufficient inducement to make certain both issues were tremendously oversubscribed. By having some kind of endorsation from a provincial government it seems to add to the success of this kind of operation.

We will have an opportunity to discuss many of these matters in the committee. I hope that before the end of the week the Minister will introduce the bill to extend the bank charters for a further period. On this occasion he is asking for an extension of

[Mr. Olson.]

six months. I think the committee might be finished within six months, but it might be just as well for the Minister to ask for a little longer extension in the event that committee discussions and investigations take longer than he anticipates at present. If the Minister wishes, we would be willing to extend the charters for a year. In such case the committee would be under no pressure whatever. It would be able to call all the witnesses it wanted and take all the time it felt necessary to debate and investigate the matter.

Though the charters be extended for a year I would hope the committee could finish its work by the end of 1965. I do not propose to speak any longer on this bill, since it is going to committee and since there will be a second bill to extend the charters for a further period.

• (5:40 p.m.)

[*Translation*]

Mr. Robert Beaulé (Quebec East): Mr. Speaker, the legislation under study, Bill C-102, allowing banks to carry on business for a further ten years, cannot be treated lightly, and this, on account of its significance, since the future of the economic blood of the nation is in question.

However, the Minister of Finance (Mr. Gordon) seems quite in a hurry; he would like this bill to be quickly referred to the committee on banking and commerce.

For more than 30 years now we have been fighting the present financial system. We are asking the Minister of Finance to be patient, because we wish to show him that the present banking system must be reformed from the ground up, and not only by means of minor amendments which, finally, would allow the banks to increase their wealth.

In his remarks, the Minister spoke about the cash reserve percentage the banks shall maintain with the Bank of Canada.

That is precisely the greatest imbalance of the banking system.

I should have liked the Minister to give us a description or to draw us a picture of the banking system.

At the same time that would have opened the eyes of many members of the house who do not understand the present system.

Since the Minister did not do so, I should like to make a few remarks now.

Today, in all civilized countries, there exists an institution whose function is to issue money. Such an institution is called a bank.

Since the beginning of the pastoral era—and even nowadays—exchange can be reduced to barter. The use of a third commodity which divides barter into sale and purchase is resorted to for utilitarian purposes.

If a farmer wanted to exchange a horse for bread, he could obviously not exchange his horse for the minimum quantity of bread required daily. He would therefore issue to the baker some leather tokens or any other conventional token of a certain value.

The baker would demand the horse when he would be in possession of a certain amount of tokens. This currency would be a means of exchange on settlement of a different quantity and quality of various goods. Money would be as it is today, a promise to pay in kind on request.

One is immediately aware that currency was then issued according to the production needs, the commodities and services to be exchanged. In other words, a person who disposed or hoped to dispose of $10 worth of goods could issue, at different intervals, $10 worth of money, while promising to pay in goods or services the party from whom he purchased goods or services.

At that time production did not issue currency under the form of an interest bearing loan, but normally under the form of a promise to render services for an appraised value equal to the services rendered.

There is only one step to take in order that this type of currency might be legal tender recognized by the state. The authorities, the government or the state, aware through its statistical services of the volume of production required to meet consumer needs, can issue a volume of currency equal to that production.

The state can issue currency and commit itself to reimburse its value to the people; such currency can circulate freely and be used as an instrument of exchange.

The issuing of money will keep pace with consumption and new issues will be made to meet requirements as production increases.

While today money is issued by private organizations as debts to producers, money must be issued by the state, without interest, directly to consumption and in sufficient quantity to buy goods and services produced.

We can therefore conclude with this definition of money: a means of exchange invented by man to exchange products and services against an equal value in products and services under the control and guaranty of the state.

In the circumstances the banker is in a unique position. He is probably the only man able to lend money without giving away anything and to make a profit on the transaction, since in the first place he gets his merchandise without cost.

What is the present machinery for creating credit? Here is an example:

Since the machinery by which money is created by the banks, is not generally understood, and since that subject is of course of the utmost importance, it would be a good idea to repeat what the hon. member for Lapointe (Mr. Grégoire) said during the debate on the resolution.

Let us take the case of a bank being formed; its social capital is immaterial. Ten depositors make a $100 deposit each in treasury bonds in that bank. Its responsibility toward the public amounts then to $1,000.

Those ten depositors do business with one another and find it more convenient, in many cases, to write notes or cheques to the banker informing him to adjust their account according to those business operations, rather than withdrawing each time legal currency to make their own payments.

After a short while the banker notices that only 8 per cent, or thereabouts, of his business is handled in legal tender—and today, according to the minister's statement, it seems that the percentage will be reduced to 7 per cent, since he tells us that hereafter the cash reserve will be 7 per cent.

As I was saying, the banker has noticed that only 8 per cent, or thereabouts, of his business was handled in legal tender, all the rest being mere bookkeeping entries. I am still talking about today's credit machinery.

At that time depositor No. 10, who is a manufacturer, receives an order. Before delivering the goods, he finds he will have to pay in wages, salaries and other expenses, far more money than is available to him.

Faced with this difficulty, he consults his banker who, after considering the above-mentioned situation, agrees to let him withdraw from his account, not only his own $100, but $100 more, a total of $200, in consideration of payment, within three months, of $106.

Such an overdraft of $100 is a credit in the account of depositor No. 10 who can now draw $200.

The responsibilities of the banker toward the public now amount to $1,100; none of the original depositors had their deposit reduced

in the process nor were they consulted on this matter and it is quite correct to say that $100 worth of new money has been created with a stroke of the pen. Depositor No. 10, having fortunately secured his overdraft, distributes it to his employees in the form of salaries.

All the costs are included in the price the public pays for products and, consequently, when depositor No. 10 repays his banker with the $106 obtained from the public in exchange for the products, the banker, having placed in his profit and loss account the $6 of interest priorly created by him, compares the $100 received against the apparent credit priorly created and cancels both of them.

There is $100 worth more goods immobilized for which nobody, not even the banker, except potentially, has the equivalent in money.

Money, under its various forms, in bank or credit notes, as long as they are convertible, was defined by Professor Walker in his book entitled *Money, Trade and Industry,* as any medicine which has been accepted to such an extent that, no matter what it contains, no matter why the public wants it, nobody refuses it as a means of exchange for products.

As long as this definition holds, it is obvious that the possession of money or credit notes which are convertible establishes a direct link with services of others in direct proportion to the fraction of total stock controlled and, furthermore, the total financial wealth in the world, including credit, should, according to this definition, suffice to balance the total book values, material assets and potential production of the world.

Few people would think that monetary systems established in the world are perfect, and the number of those people is decreasing every day.

But when you ask for a definition of the various faults of the monetary system, it is interesting to note how the ideas of justice and value are referred to with monotonous regularity.

● (5:50 p.m.)

Possibly the most important basic idea which may be advanced at this time, as regards the monetary system, is that money is not in a true sense a measure of values.

The proper function of the monetary system is to serve through the exchange and distribution of goods and services.

It is, or should be, a system of order and not a system of rewards.

[Mr. Beaulé.]

It is essentially an administrative system subjected to politics, and because it is above all other administrative systems, the international control of currency is extremely important.

To correct the situation created by the present banking system, a technique must be found to adjust, by means of credit, and to create a relationship between the average level of prices and the available purchasing power. Under present conditions, the banking system is responsible for making that adjustment.

Finance and taxation, nowadays, are but an ingenious system for the concentration of financial power.

One could say that almost any explanation that does not completely and accurately describe how the financial system operates has the curious effect of helping the supporters of the system.

If you take the system as a whole, it seems obvious that, sooner or later, the monopoly exercised by the powers of finance must be attacked and that taxes, far from attacking it, are doing a great deal toward consolidating its powers.

What do the Créditistes propose to improve the present banking system? Here is a brief description of a reform we are advocating.

The financial system is but a system of notes that should reflect the realities of production and not control them. Finance should assist industry and business and not dominate them. The means now available to produce wealth were created by geniuses and inventors now gone to their reward and they belong to everybody and everybody ought to benefit from the results of those inventions, because they represent the greatest factor of production there is today.

Therefore, it is a factor from which all should benefit equally.

But no drastic reform will be possible as long as credit and the banking system are controlled by the persons who now dominate them.

It must follow that a national authority, representing the people, should regain control of credit and of the financial system which now constitutes a monopoly in the hands of chartered banks. We already have that authority. It is the Bank of Canada.

To reform the system we must first of all resort to the following basic principles:

Money credits in the hands of the population must equal the sum of prices attached to consumer goods on sale, whatever those prices, and those money credits can only be recalled, rescinded or depreciated by the

purchase or the depreciation of these consumer goods.

The credits required to finance production must not come from savings, but from new credits issued for that production and they must be rescinded or recalled only in the proportion of the general depreciation with regard to general appreciation.

Distribution of monetary signs to individuals must become less and less dependant on employment. This means that the dividend will progressively replace salaries and wages as the man-hour production increases.

Thus, the following steps become necessary:

The setting up of a national accounting system;

The setting up of an agency to create the necessary new credits;

The distribution of a national dividend to allow everyone to benefit from applied science and to solve the problems of automation and unemployment; this technique would finally be rounded out by the application of a compensated discount intended to maintain the equilibrium between the monetary signs and the available goods and services.

Now, let us turn to the new credit. At the present time any new credit is issued by the chartered banks which lend new credits to producers at a certain interest.

The new credit required for the financing of production should not be supplied by savings, but by new credit issued for this production. This new credit must be cancelled or recalled only in the proportion of the general depreciation to the general appreciation. Therefore, new credit must be used to mobilize industry toward new production. At first sight, the banks are the proper agencies to fill this role and grant the necessary credit toward production. But contrary to the situation which exists at this moment, this credit would not belong to them but to every citizen.

The Bank of Canada, the issuing bank, an agency of the government and of the people, would grant banks the necessary credit as industry required it. Moreover, banks are well equipped to play this part. They have branches everywhere, and well trained personnel able to evaluate local needs as well as the credit rating of borrowers.

For the service they would provide, surely banks should be entitled to a reward, a payment allowing them to discharge their responsibilities. Those credits could be obtained at nominal cost from the Bank of Canada or at some other interest rate.

But banks should not demand a higher rate from borrowers. The increase of real credit caused by the increase of production would allow the Bank of Canada, by levying a part of this surplus to pay the banks for services rendered. And if banks refuse to act as agents of the community they should be forced to do so; refractory bankers should be replaced.

What is the function of chartered banks?

At present chartered banks can multiply their credit by 12.5, taking as a basis all the deposits they hold such as treasury bills and Canada bonds.

We therefore propose that the privilege of banks to multiply credit by 12.5 for their benefit be abolished and that they only be authorized to lend their own assets, especially the shareholders' investments, the deposits of small investors, to buy consumer goods or for personal purposes. What would be the result of such a policy?

I would like to point out that at the present time, according to the report of the Porter Commission, non financial companies had borrowed at the end of 1960, $2,901 million from banks and moreover, at the end of 1961, chartered banks were holding $470 million worth of company bonds.

Now, at the end of that same year, chartered banks held $3,371 million worth of Canada bonds, that is exactly the same amount invested by the banks in Canadian companies through bank loans or the purchase of their bonds. It is obvious that if the Canadian government redeemed its bonds held by banks, the latter would dispose of an equal amount for industrial or commercial loans.

We maintain that chartered banks could keep on granting loans but for personal purposes or the purchase of consumer goods. And if this currency proved insufficient, as is to be expected, the Bank of Canada would be authorized to make advances to chartered banks so that they might have available the necessary liquid assets to meet personal needs.

Now, if we consider social development, we notice that social needs, social development of the country, the building of roads, bridges, canals, waterworks, sidewalks, schools, hospitals, libraries, are financed by private capital, which deprives industries needing money for their development of the necessary capital and forces them sometimes

to seek it in foreign countries. This places our economy under foreign domination.

If the development or building of fiscal capital in our country were financed by new credit issued on behalf of society by the Bank of Canada or local banks at a nominal interest cost, by using the real credit of the country, this capital advanced by the Bank of Canada, at administrative costs, to finance the social development of the country, would not remain indefinitely in circulation and would be recalled at the depreciation rate of this social capital, thus eliminating the danger of inflation.

The issuance of this new credit would be made in relation to the needs for schools, hospitals, and so on.

National needs, actual needs, determine and regulate the scrip money projected by anticipation.

And this new money, this new credit should not bear interest, because it is used to build social capital which is non-profitable.

Such are the various methods suggested to put into force the Creditiste philosophy to ensure always a satisfactory balance between production and demand.

Those are, Mr. Speaker, the changes needed to reform the monetary system which the Minister of Finance (Mr. Gordon) should have presented to us if he really wanted the government to have a definite monetary policy and to control absolutely the creation of credit in Canada.

Mr. Deputy Speaker: Order. I must interrupt the hon. member because it is six o'clock.

Mr. Beaulé: Mr. Speaker, I will be through in a minute.

Mr. Deputy Speaker: Will the house allow the hon. member to continue for a minute?

Some hon. Members: Yes.

Mr. Beaulé: A few days ago, I was listening, during a CBC television program entitled "Champ libre" to Mr. Jacques Ruef, a great French economist of international repute and Mr. Robert Triffin, a Belgian economist and expert in the field of international high finance, who both said in New York that the international monetary system was obsolete, silly and inflationary and that the great powers ought to find another means of exchange, otherwise we would experience a worse crisis than that 1929-39.

They stated also that the monetary system should be modernized just as industry and trade have been brought up to date.

Mr. Speaker the warning of those two great men, in the sphere of high finance, should make the Minister of Finance ponder while he still can revise the bill under consideration and bring in the necessary changes.

[*English*]

Mr. Deputy Speaker: Is the House ready for the question? The Minister of Finance (Mr. Gordon). If the Minister speaks now, he will be closing the debate. Is this agreed?

Some hon. Members: Agreed.

Mr. Thompson: Mr. Speaker, I wish to speak on this matter, but I believe that according to the new rules we go into private Members' hour at this time. Is that not correct?

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED UNDER ADJOURNMENT MOTION

Mr. Deputy Speaker: Order. It being six o'clock it is my duty, pursuant to provisional Standing Order 39A, to inform the House that the questions to be raised at ten o'clock this day are as follows: The hon. Member for Renfrew South (Mr. Greene)—Trans-Canada Highway—requested removal of unsatisfactory portion; the hon. Member for Danforth (Mr. Scott)—divorce—request for Royal Commission on Reform; the hon. Member for Port Arthur (Mr. Fisher)—forestry—removal of departmental laboratories to Sault Ste. Marie.

• (6:00 p.m.)

Order, please. 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 motion.

EDUCATION

COMMISSION TO REPORT ON A NATIONAL TRAINING SERVICE PROGRAM

[*Translation*]

Mr. Gérald Laniel (Beauharnois-Salaberry) moved:

That, in the opinion of this House, the government should consider the advisability of undertaking a searching study of the youth problem in Canada, paralleling the possibility of setting up in the country a "National Training Service" for young people between the ages of 18 and 21 years, and

That, to this end, there should be appointed a Commission made up of representatives of the various bodies concerned with health, education, employment, and the Armed Forces, charged with reporting to this House on the advantages and

disadvantages of such a "National Training Service", particularly with regard to the following points:

1. Discipline and respect for our institutions and for authority.
2. The possibility of its complementing training and education.
3. Improvement in health through physical education.
4. A means of promoting bilingualism among the young.
5. Strengthening of national unity through better knowledge of the country and its various ethnic groups.
6. Co-ordination with the Emergency Measures Organization.
7. Advantages in the Service being run by the Armed Forces or other similar body.
8. Possible duration of such a service and particular application to students.

He said: Mr. Speaker, if I have introduced again this year, a new notice of motion concerning the setting up in this country of a National Training Service, it is because I am more convinced than ever that various benefits would be derived from such a decision on the part of the government, more so even, since the months gone by have enabled me to find out that Canadians as a whole, as well as the people from the province of Quebec, favour most the establishment in this country of such a national service for our young people.

Mr. Speaker, at this point, may I digress a moment to add that during the last 12 months, I have continually received correspondence from various persons across the country. Furthermore, during the year the French speaking Junior Chambers of Commerce of Canada have chosen as the theme for their annual debating contest: "Compulsory military service, for or against". The final contest will take place on July 2, at the Chateau Frontenac, in Quebec City. It is nevertheless significant to find that people are interested in discussing this matter.

During the debate last year, I found that too much emphasis was laid on the words "compulsory military service" or on the word "conscription"; and the same thing can be said about the publicity made through our media of information.

That is why I have elected this year to introduce my notice of motion in a completely different manner so that, by listing a few particular points to be considered, the most obvious advantages may be seen immediately. Furthermore, I wish to point out at the outset to the hon. members of the house that the motion now before us is not asking the government to institute immediately such a service, but rather to suggest the appointment of a commission to examine all its implications and the advantages which may be derived therefrom.

Personally, I am convinced that such military training should come under the jurisdiction of the armed forces, but I thought I should leave the door open to other suggestions and that is why I suggest that representatives of groups of people interested in health, education, employment, the armed forces and, I would even add, social, rehabilitation and welfare services, should sit on that study commission.

Mr. Speaker, parents and educators are increasingly concerned about the future of our youth; and there is even apprehension in the minds of many of them. I would not want to give the impression of being an alarmist, a bogey-man and I am not saying either that there is no solution to the youth problem, but as head of a family I wonder about many things. I wonder about the same things which are bothering most parents, and I am trying to see what the future has in stock; I wonder what is lacking both within the family and our education system.

Some will say that youth must have its fling; others will add that we have all had ours. But do you not agree with me that we are nevertheless increasingly concerned about this unrestrained and free-thinking attitude?

Is this normal, this lack of respect for elders, this contempt for established authority and this tendency to do away with everything? It is disturbing to see how new doctrines and theories often talk about liberty as meaning licence and how basic democratic principles joining together liberty and responsibility are ignored.

You might say: "But what does a national training service have to do with all that?" Don't you fear, I do not think the creation of such a service would muzzle our youth in a discipled body where there would be no possibility of dialogue and where militarism would be used to crush the rebels. However, you know it is becoming always more vital to keep our young people busy, to allow them to know all the aspects of our society and to make them appreciate the things they often take for granted.

Many Canadians agree that a form of national service would constitute a wonderful instrument for helping our youth to develop both physically and intellectually in a dis-

ciplined environment, giving them a sense of values and respect for our institutions and for authority.

In a speech he made recently, His Excellency the Governor General of Canada expressed his regret that frontiers sometimes took on the aspect of barriers rather than meeting places. He invited people to open wide the provincial doors and windows, to look beyond the walls at what is going on outside.

"Let us become acquainted", he said, "because that is how we will learn to understand each other." He even suggested massive group travels between provinces in order to improve mutual understanding.

That is one of my main points, Mr. Speaker, in stating the advantages of the national training service in Canada, that is a means to enable our youth to know Canada and to visit the various areas of the country. I think it would be very beneficial to split such a service stage into four three-month periods so that the young men could alternately visit in the Maritimes, in the Eastern provinces, in the Prairies and finally on the Pacific Coast. To know one's country is to have exchanges with all those who live in it and in order to achieve this, I see nothing better than to use that national service as the most efficient school of language for young Canadians. The program could be organized in such a way that there would be a certain continuity as much in terms of education as in terms of physical training or anything else.

To those who would fear an interference from the federal government in the field of education—

• (6:10 p.m.)

[*English*]

Mr. Deputy Speaker: Order. I regret I have to interrupt the hon. Member but I should like to bring to the attention of the hon. Member for Timiskaming, who I might say warned the Chair last week he might want to take drastic action after six o'clock today, that it is against the practice of this Chamber to consume foodstuffs while the House is sitting. I should like to refer the hon. Member to Standing Order 12 (1) which states that "Mr. Speaker shall preserve order and decorum". The Chair considers it to be against the decorum of the House to have lunch, dinner or supper at one's seat in the House. Therefore I would suggest to the hon. Member that he co-operate with the Chair, and if he feels he should partake of food at this time he can do so behind the curtain.

Mr. Peters: On the point of order, Mr. Speaker, with changes we made in the Standing Orders whereby we adopted new Standing Orders on a provisional basis I assumed that the old parts of the Standing Orders were rescinded. I would assume that the section Your Honour has just quoted is one of those sections. I am sure it is not the intention of the House to deny Members the right to participate in the debate. If we waive the supper hour I think something must be substituted for it, and I would hope Your Honour would not enforce that rule, which I believe was rescinded by the passing of the provisional orders.

Mr. Deputy Speaker: The argument advanced by the hon. Member is very ingenious, of course, but I do not think he has the right to suggest that the adoption of new Standing Orders automatically repeals other Standing Orders. Standing Order 12 (1) to which I have just referred is certainly still in the Standing Orders, and I would ask the hon. Member to co-operate with the Chair at least in this instance by desisting from proceeding with what he had in mind to do.

[*Translation*]

Mr. Laniel: Mr. Speaker, so far as I am concerned, I am quite agreeable to letting the hon. member for Timiskaming (Mr. Peters) go, if he is that weak and cannot attend the debate.

Resuming my remarks, Mr. Speaker, I say to those who would fear interference by the federal government in the field of education that I have no objection to this being done in co-operation with the provinces. In my view, surely there is a way to preserve provincial autonomy while at the same time, co-ordinating efforts of the greatest advantage to our young people. One thing that has not been mentioned in the various points suggested for study is the possibility of relating to such an institution a world history course, and what may be even more important, a Canadian history course.

Speaking for myself, I feel that the best presently available vehicle toward that end is none other than the Department of National Defence; still, I remain open to any suggestion and would even be willing to see the government set up a body within which the various interested parties could work in co-operation with the Departments of Health, of Labour and of National Defence.

This agency, which I called in my notice of motion "National Training Service" could bear any other name; I might even suggest that of "Canadian Youth Service".

At the very time when a program is being launched with a view to creating a Company of Young Canadians, it seems to me we would be shirking our responsibilities by failing to give to the government this wonderful opportunity of making a comprehensive study of the youth problem in Canada. Let us set aside the bugaboo of conscription, let us forget momentarily military questions and the shadow of war, and let us study the whole problem in the Canadian context, with a view to fostering national unity, as a means to better training, better understanding and good will.

I would like to point out clearly my views as regards the objection of those who claim that all this would be detrimental to the educational program of our youth and could make them lose a year's studies. In my opinion, it is easy to settle this problem by not compelling anyone to complete his 12 months of service before he has completed his studies, for those who wish to do so at the secondary level after their technical studies. It would be advisable for those who pursue university studies or who specialize beyond secondary school, to complete the service by three month stages, during their holidays and over a period of three or four years. Thus every young Canadian would enjoy the same advantages—and I mean "advantages" because I sincerely believe in it, and no one could upbraid the government for having delayed his studies or hampered his future.

Mr. Speaker, I do not want to venture too far today in regard to the cost of this project, but I feel that there are enough advantages to justify such a government expenditure. I want to correct some statements made last year in this house with respect to a tremendous amount, which was far from reality.

Certainly, it would be in order to pay the young people in service a reasonable allowance which could compare to the amount a new recruit gets now, or at least $20 a week, that is a total of $1,000 for 12 months. On the basis of this amount of $1,000 and considering that the number of young Canadians in service each year would be 100,000, I arrived last year at a maximum cost of $300 million, including maintenance and administrative expenditures, instructors and specialized staff. I did not invent those figures myself, and I can assure you that they are close enough to reality, and that it is perhaps possible to reduce them to $250 million.

It is true that here I do not take into consideration capital expenditures which should normally and gradually be incurred, especially if one considers that it would be advisable to erect, through the years, centres similar to our military colleges with permanent buildings which, by the same token, are much more attractive and help to create an atmosphere more suitable to study and training.

• (6:20 p.m.)

Although they would be expensive, those centres would always remain available to the government in case of conflict or emergency. Since this national service could easily make up for the militia and the armed forces reserve, almost $40 million would be saved each year and which would provide a substantial amount for the establishment of such a building program.

Last year some people were shocked when I said that this would also help to solve the problem of unemployment. I will not mention here some of the political arguments which were used, but I will say only: Can you deny the fact that such a project would free the labour market of 100,000 people, an equivalent of $150 million in unemployment insurance benefits? Personally, I would rather see this amount spent in a constructive way instead of paying people to do nothing.

Mr. Speaker, I would have much to say on the possibilities of such a national training service; the more I discuss the matter with people, the more arguments are put forward in favour of such a scheme, and the more I am convinced that we would do our country a great service by passing that resolution. I, therefore, appeal to all the members of the House to consider favourably my proposal and at least allow it to come to a vote before the end of this discussion.

Mr. Marcel Prud'homme (St. Denis): Mr. Speaker, would the hon. Member permit a question?

Mr. Laniel: Certainly.

Mr. Prud'homme: When he spoke about those from whom he asked some advice, would the hon. Member be ready to consult—without expressing his detailed opinion on the merits of the matter, because he does not have the necessary time—the persons interested in this matter, certain authorities in the field of education, of employment, and especially, in

youth organizations? I am thinking, for instance, of the Association of University and Classical College Students, of the Catholic Youth Labour Organization, of the General Union of Quebec or Canada students?

If such a service were set up, would the hon. Member object to consulting those youth organizations, whether they be formed of students or workers, because most of our young people between 18 and 21 do not all have the opportunity to attend college, even though they lead an active life?

Mr. Laniel: Mr. Speaker, I entirely agree with the suggestion of the hon. Member for St. Denis. It is an excellent suggestion, more especially as most of the young people I know are in favour of such a plan.

I am convinced that the leaders of such movements would like to see the government form such a commission, since they wish to take part in this study.

Mr. Prud'homme: This is what I wanted to know, whether these people were interested.

Hon. Théogène Ricard (St. Hyacinthe-Bagot): Mr. Speaker, I do not intend to delay the passage of the motion in question since the hon. member requested that his motion be voted on before the private members' hour has elapsed. Nevertheless, I wish I could make some remarks in order to help him, if possible, to get out of a dilemma.

The hon. member has made another try this year and introduced again a proposal that is not clear, even in his own mind. He is ready to give to such a project any name whatever, provided his proposal is adopted.

One fact in particular strikes me—though it is true that this proposal is his own; he suggests that this plan be implemented in co-operation with the provinces. I cannot help making the following remark, namely that it is a surprising thing to see such a project being proposed during this session when it has been suggested that the provinces should withdraw from many joint programs. While we are endeavouring to withdraw from joint programs, the hon. member is introducing a motion in order to emphasize another one.

I would not like to be unpleasant to my hon. friend, but the reason why he is coming back this year with an entirely amended project is that last year, following his "conscription" project, since he used the word himself, or "compulsory military training", there were some feelings of unrest and some objections which surely attracted his attention. He may have secured support from some people in certain quarters, but as regards newspapers, their remarks were diametrically opposed to the opinion of the hon. member, who referred to unqualified encouragement on the part of the people with whom he got in touch with the exception of a few.

[Mr. Prud'homme.]

I know that a number of young people of his constituency have expressed to him, rather clearly and conclusively, their objections to that proposal, and he is probably seeking a way out by submitting a completely new and different project from that of last year.

The remarks of my hon. friend have made me realize that he did not exactly know what he would like to propose. He did not even have a clear idea of what he wanted, and that is why he tried to enlist the aid of all members in this House to put his proposal through.

In a friendly gesture and to help him out of the awkward situation which he brought upon himself last year, I suggest he take this opportunity to withdraw his motion.

• (6:30 p.m.)

This would enable him to get out of an embarrassing situation, indeed to erase the wrong effects of the proposal he put forward last year and to regain, if possible his popularity with the young set in his constituency. In fact according to the information supplied to me the young people of his constituency will remember that when the time comes and I would not want my hon. friend to suffer from the statements he made although his intentions are good.

Furthermore it is important to note that the implementation of his proposal would call for an expenditure of $300 million which surely is a most imposing sum of money. In addition I am amazed to note that even by using the present method as an escape he gave other evidence of the little seriousness with which he considers the question because an expenditure such as that proposed should not be moved in a motion of a private member such as him and me, but should instead be moved by a minister of the Crown.

I feel that at the close of his observations, the hon. member for Beauharnois-Salaberry revealed the purpose of his proposal. His only aim, and I congratulate him for it, is to do something to alleviate unemployment. It is common knowledge that the government members are interdependent, that they promised full employment upon acceding to power. It is probably to help his

colleague, the Minister of Labour (Mr. MacEachen) who had promised to check unemployment, with the assistance of his team, in a very short time. I am quite sure that is the only reason for his proposal, and before resuming my seat I should like to remind him that the most gracious and efficient way of solving the predicament in which he has placed himself would be to withdraw the notice of motion he put before the house, which gesture would assist him in mending his reputation with his constituents.

Mr. Marcel Prud'homme (St. Denis): Mr. Speaker, may I direct a question to the hon. member for St. Hyacinthe-Bagot?

Mr. Ricard: Certainly.

Mr. Prud'homme: Can the hon. member tell this house if he is a Conservative to the extent of holding on to the past and fearing to examine the problems facing the youth of Canada? And note that I am not talking about the subject matter of the issue. I believe that is the objective of the hon. member for Beauharnois-Salaberry.

Mr. Ricard: Mr. Speaker, the hon. member for St. Denis wishes that I had said the words he is attempting to attribute to me, but for his information, I must tell him that I never mentioned that subject. On the contrary, I congratulated the hon. member for Beauharnois-Salaberry for his endeavours at helping our youth, and I never refused to examine the problems concerned.

On the other hand, the hon. member for St. Denis has been a student for a great many years, and I would not want him to abandon his studies because he apparently needs twice the time needed by others to learn.

If his colleague from Beauharnois-Salaberry could help him in any way, I would commend him for any success he might obtain.

Mr. Prud'homme: Mr. Speaker, I rise on a question of privilege. The hon. member for St. Hyacinthe-Bagot talked about all kinds of things but he has not answered my question.

[*English*]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I would like to congratulate the hon. Member for Beauharnois-Salaberry (Mr. Laniel) for introducing this very novel and worth-while motion. It can be borne in mind that a motion by a private Member should probably be relegated to this period of the evening when normally we would be having our supper, because obviously there is not going to be any government interest in the matter.

The hon. Member has had to couch his motion in such a way that he uses words like "possibility," "advisability," and "charged with reporting to this House on the advantages and disadvantages..." He has had to do so because really he is suggesting consideration of the expenditure of money, and he has mentioned that the motion, if passed, could give rise to a potential expenditure of $300 million.

I am impressed also because the hon. Member is from the Province of Quebec. We have always been interested to see the lack of enthusiasm displayed by Members from that Province in the establishment of national programs geared to education. I have always contended that we should have a federal bureau of education or department of education, not to provide education but to provide co-ordination and equality of educational opportunities across the country. The hon. Member has taken this into consideration because he has said his proposal would provide employment in such a field.

I have always believed that if we are to have an effective national unemployment insurance office, particularly an effective employment commission, we must set standards that will enable the Federal Government to provide equal opportunities for retraining the unemployed in all parts of Canada. This has not been possible in the technical field to date, and I think the hon. Member probably has in mind that the solution of technical education is a national problem. I believe the Federal Government should establish a national educational code in the technical field, and for that reason I think the hon. Member has made a very worth-while suggestion. However, I doubt if the Government will consider it at length.

We can look back at the compulsory training program we had a few years ago. People were violently opposed to it, even though it was an emergency program, and I can foresee reluctance on the part of many Members to support such a type of program.

I am not familiar with all the pros and cons involved in the advantages of military training on a national basis. We all know the problem caused by lack of discipline in our young people, particularly those between the ages of 18 and 21. In passing, I mention the armed forces parade held in Ottawa on Saturday

when, no doubt, those who saw it both live and on television were shocked to find how hard it was for some participants to march in line and keep step while marching. I was highly amused to see one chap in the back changing step continually. I do not know whom he was trying to get in step with, because nobody was in step.

Mr. Prud'homme: Maybe he was an N.D.P.

Mr. Peters: Maybe he was. I always had the same problem. When I was in the services I always had to try to get into step with somebody else, but I do not think the hon. Member is really advocating military training. He is advocating some type of disciplinary training that would provide young people with equality of opportunity for employment, and thus allow them to make a greater contribution to the Canadian scene.

Most Members of Parliament know the sad state of affairs which exists when a young fellow of poor parents goes through high school, meets the academic standards but cannot continue his education, and has to be advised to go into the armed services to take advantage of the training provided there in the academic field.

• (6:40 p.m.)

This has been a sad commentary on the opportunities provided for our young people in the past. I am pleased this suggestion should come from a Member from the Province of Quebec, where no doubt the same problems have to be faced as are being experienced across Canada. I think this suggestion will receive much more favourable consideration from other parts of the country than he might have expected. He may also find it will receive a greater measure of support from some of his colleagues from Quebec, who hitherto have been fearful of the idea of education in any shape or form being provided by the Federal Government. The hon. Member has ably drawn attention to the experiences of areas in all parts of Canada and the necessity for a training period between the year when the student leaves high school and the year he finds employment in a suitable occupation.

We have all read in our newspapers recently about the increasing difficulty which college students find in obtaining summer employment at an income sufficient to enable them to provide for their continuing education. In many areas more than 50 per cent of those attending universities have this year been unable to find suitable summer employment. This situation is one which will get worse before it improves. One reason for this is the large number of young people who are prepared to take on similar employment on a permanent basis.

I believe the motion before us deserves the support of the House. The hon. Member is not asking for specific action at this point, but for a feasibility study to provide information on the basis of which the Government may reach a decision. I hope the motion will get speedy consideration in this House and that the Government will undertake to give leadership in bringing about a study of this type in the interest of providing increased opportunities for these young people who are finding it increasingly difficult to obtain employment.

Mr. R. N. Thompson (Red Deer): I find this notice of motion most interesting. Last year when a similar motion was introduced, I had the privilege of speaking on it. It was interesting to note the correspondence which followed. Many of those who wrote to me were supporters of the motion; some of them were against it.

I notice that the hon. Member has made some changes in his motion this year. In principle—and I speak as a father of five boys—

Some hon. Members: Hear, hear.

Mr. Thompson: —I think some kind of training program for our youth and for the good of the country is very desirable. I know there are those who oppose compulsory training; they think of it in terms of military preparedness and object to it on that basis. I do not think this is the purpose behind the present motion at all. It seems to me that in view of the circumstances in which some of our young people are growing up in this country it would not be an undesirable thing if they spent some part of their young lives in the service of their country under the type of discipline which would be necessary.

I do not necessarily support the suggestions made as to how this might be brought about in detail, neither do I pretend to know the answers to the various questions which would arise were such an idea translated into practical terms. Nevertheless I think it would be wise to let this motion go to a committee. Or, if that is not possible, we might well be given an opportunity for a fuller debate on this subject. Certainly I commend the hon. Member for having raised it at this time; the resulting publicity will no

doubt cause people to discuss this matter widely across the country.

Many of our young people are being raised today amid influences which seem to say to them: Do not ask how much you can give to your country but, rather, how much your country can provide for you. Training of the type suggested might well be of tremendous benefit in these circumstances. It would be an opportunity for beautifying our country and doing many of the things which we sometimes neglect in favour of more pressing commitments, while at the same time providing guidance of a type which would be good and wholesome for our young men. Therefore, without speaking at greater length I, personally, am pleased to support the intention behind this motion.

I use the word "personally" because I am not sure whether everyone in my party agrees with this. From my experience of many of the problems which face our young people in Canada I think the institution of such a program is worthy of our consideration and I congratulate the hon. Member for bringing this motion before the House.

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, tonight we are again considering a motion similar to that introduced last year by the member for Beauharnois-Salaberry. A perusal of the motion, however, reveals that it has been drawn up differently but the purpose seems to be the same.

Last year the hon. member introduced a motion concerning compulsory service; this year, he changed this expression to "national training service".

No doubt next year, during another session, provided the hon. member is still with us, the terms of his motion will be altered so much that its purpose will be different.

Personally, I am not completely in agreement with the purpose of the hon. member's motion.

To a certain extent, I agree with him. Many of our young people do not always behave properly. In my opinion, the hon. member who introduced this motion tonight should rather ask his colleagues and his party —who are somewhat responsible for that situation, because they have run this country for many years without being able to find a democratic means of helping our young people—to give them a purpose, an ideal in life. They are the ones who are proposing such a measure today—he makes no mention of the fact this year, but it is the same thing he was advocating last year—that is to say, the service would be compulsory and run by the army.

From this point of view, I think there is confusion among the Liberals, because if I am well informed, the purpose of the Minister of National Defence (Mr. Hellyer) is to cut down the total strength of the army, whereas the hon. member for Beauharnois-Salaberry wants to increase it by encouraging our young people to do some military service by offering them additional training in the field of health, etc., while giving them an opportunity to visit and know their country.

I wonder whether this motion is not brought forward in connection with the military demonstration that took place last Saturday in the streets of the national capital. I wonder whether we should not put together those two things aimed at influencing the young people and the public at large. They made a display of strength and greatness in order to influence them so that they would be interested in the motion brought forward tonight.

But I noticed something tonight. Last year the hon. member thought that he could fight unemployment which is rampant in Canada and that he could save the Unemployment Insurance Fund a few hundreds of thousands of dollars.

In my opinion, if the Liberals, the government or the Liberal party would make a sincere effort, they could find something better than a national training service for our youth. They could find something else to fight unemployment effectively.

If we wished to propose an objective, an ideal for our youth, a truly serious ideal, it would not be necessary to introduce such a measure.

I believe that the educational system of every province could be improved, but our governments should give parents the financial means to utilize the wealth of this country so they can give their children the training and education which they need in order to serve their country in every field.

• (6:50 p.m.)

[*English*]

Mr. D. W. Groos (Victoria (B.C.)): Mr. Speaker, I very much respect the motives which prompted this notice of motion from our colleague the hon. Member for Beauharnois-Salaberry (Mr. Laniel). It is a notice of motion that has very far reaching effects.

I have only two main points that I wish to make because I see that our time is very short.

First of all, the operative part of the hon. Member's notice of motion is, I think, contained in the wording, "the Government should consider the advisability of undertaking a searching study of the youth problem in Canada". I thought initially that this reference to a "youth problem" was an unfortunate phrase and I was inclined to take mild exception to it; but I think it was perhaps due to the translation, because when I discussed it with the hon. Member I found that we do see eye to eye on this matter. No one knows better than he, and he admits it, that there is not very much wrong with the youth of today. The response to the Company of Young Canadians I think is a very good demonstration of that fact. But young people, moving today in such numbers as they are from the farms to the cities, have very much lost control over their destiny and environment and it is very difficult for them to provide for themselves in this twentieth century.

I think that youth is inclined today to question the old standards and the old values, but I see, like my hon. friend, nothing wrong with that. I think our standards and values are no good if they cannot stand up to this type of scrutiny. I think our young people seek very much today an outlet for their energies; they want to contribute and they want to be constructive. I think today there is an altruism in their attitude toward life which was not present in former years. Most of the young people I know certainly want to share the blessings of this land and the fruits of their labours with others both within this country and abroad, and I think this National Training Service might very well be a suitable vehicle for doing so.

These young people want to find out more about the Canada in which they live and more about other Canadians. I think we had an example in the Montreal *Gazette* of Saturday, I believe it was, from a very distinguished Canadian, a native son of British Columbia, Dr. Rocke Robertson, the Principal and Vice Chancellor of McGill University, who said that one of our main problems in Canada today is that we do not know enough about each other; that is, the two cultures that make up this country. I think this motion conjures up some memories of the United States Civilian Conservation Corps of depression years, and much good came of that. We see today across the country many lasting evidences of the good work these people did.

I agree with the idea of a study, and I think perhaps this study would show the impracticality of a scheme of such generous proportions as has been outlined by the hon. Member. But I know he would be prepared to lower his sights to within the realm of practicality, and perhaps a pilot program, something of smaller dimensions, would be what is necessary at this time; something small, something voluntary, something which would teach skills for specific projects on the frontiers, perhaps, of Canada—the west, the north, the far East—something which would lay down minimum and maximum periods of service within this program. There would be very many incidental benefits other than those mentioned in the hon. Member's notice of motion, of physical education, bilingualism and self-discipline.

I said I had two main points, Mr. Speaker. I am hoping you will allow two or three extra minutes in view of the time that was wasted by the hon. Member for Timiskaming (Mr. Peters) when he produced a meal in the House shortly after six o'clock. The second point I wish to make is that with regard to the second paragraph of the notice of motion I think the operative portion is that "there should be appointed a Commission made up of representatives of the various bodies concerned with health, education, employment, and the Armed Forces". I would just like to say about this proposal that it would seem to me to be an ad hoc committee and I think we have seen many ad hoc committees—

Mr. Peters: Question.

Mr. Groos:—and what we need today is perhaps—

Mr. Peters: Question.

Mr. MacDonald: Go and get your supper.

Some hon. Members: Order.

Mr. Groos: Mr. Speaker, I wonder if you could call for order; there seems to be quite a lot of noise coming from the other side of the House.

Mr. Peters: Question, Mr. Speaker.

The Acting Speaker (Mr. Batten): Order. It being seven o'clock, the hour for the consideration of private Members' business has expired and the House will now resume debate on the second reading of Bill No. C-102,

an Act respecting banks and banking, which was interrupted at 6 p.m.

BANK ACT

DECENNIAL REVISION AND EXTENSION OF CHARTERS

The House resumed consideration of the motion of Mr. Gordon for the second reading of Bill No. C-102, respecting banks and banking.

• (7:00 p.m.)

Mr. R. N. Thompson (Red Deer): Mr. Speaker, resuming debate on the bill to provide for the revision of the Bank Act I would say at the outset that when I spoke at the resolution stage of this bill I outlined several of the main points that were apparent on a quick perusal of the proposed legislation. I also brought out a few of the details that seem to be unique in relation to our system of banking, as it is carried on in Canada today. I spoke of the definition of the purposes and functions of banks as they operate in our private enterprise economy. I would just say that we in Social Credit are in no way opposed to a private enterprise banking system. We believe that the banking system which we have at the present time has been developed to a very high degree of efficiency. I do not think we ought to be concerned about interfering with the function of banks, by taking them over, any more than we should be concerned about the taking over of any other industry or commercial operation that is doing an effective job. However, we do believe there are certain changes that should be made in respect of our banking system, and that the place where these changes should be made is here, in this legislation which affects or controls the operation of the private banks. I think these changes are very essential if we wish the banking system to carry on in its present way, particularly in view of some of the problems facing banks which affect the economy, and the problems which might well arise if private enterprise banks are threatened with takeovers, such as have happened in some Communist countries which operate under an extreme form of socialistic Government.

This legislation is very important then not only to the banks themselves, but also to the proper functioning of the nation's economy and in some aspects to this bill with which we are concerned. We commend the Minister for some of the aspects contained herein, but generally speaking I think the bill is significant because of those things which have been left out. Before commenting on these various aspects, I should like to make one or two observations about the remarks of the hon. Member for Edmonton West (Mr. Lambert).

The hon. Member, in prefacing his own speech, let fly at my colleague, the hon. Member for Medicine Hat (Mr. Olson) and accused him of talking through his hat. I do not know which hat he had in mind; perhaps he was speaking of the Medicine Hat which that hon. Member represents. In view of some of the remarks made at an earlier date by the hon. Member for Edmonton West, it is my feeling that he was talking through his hat, rather than the hon. Member from the city which carries that name.

I should like to refer to page 1001 of *Hansard* for May 6 where the following words of the hon. Member for Edmonton West appear:

> We do know that in the background there have been some rather odd things that have happened.

The hon. Member was referring to the Alberta Provincial Treasury Branches. He made several charges in respect of that institution without giving any substantive support. That is the usual type of aspersion cast by political opponents of the Government of Alberta, but it is interesting that they are not made by business, industry or even the private banks themselves.

On June 5 of this year the Edmonton *Journal* carried an article which stated that 60 centres in Alberta have requested the establishment of Treasury Branch service. The specific part of the article to which I refer states:

> Sixty communities have requested treasury branch services, says C. G. Davey, superintendent of the provincially-owned banking system.
>
> He told The *Journal* this year's program will entail opening branches in three centres which do not have full-time service and modernizing premises in ten other communities.
>
> Representations have come from boards of trade, chambers of commerce and other businessmen's organizations, he said.

I think that is proof that the Treasury Branches in Alberta are rendering a very necessary and important service. Are such institutions odd? I do not think they are odd at all. The hon. Member made another charge when he said:

> There is no power to bring any of the officers of the system before a committee of the legislature. There is no committee examination, and there has not been any committee examination of the operations of the Provincial Treasury Branches.

That is absolutely wrong. The hon. Member was talking off the top of his hat. He may think he can justify his vagueness by such claims, but that is a sheer departure from the fact and he has not given correct information to this House. If he examined the 1955 report of the Public Accounts of the Province of Alberta, he would find that a committee dealt at length with the Treasury Branches and questioned the administrative heads of those branches. The only restriction placed on the question was the refusal to give public information in respect of individual accounts or loans. This is a practice followed by every chartered bank, the Porter Royal Commission and what we have known as the Banking and Commerce Committee of the House of Commons. Full particulars of the operation of the Treasury Branches are contained in the Alberta Public Accounts each year.

The services performed by the Treasury Branches of Alberta are not only in the field of banking, but also in the field of Government service generally, and these services were summarized by the Minister of Finance of Alberta in his first budget speech delivered to the Alberta Legislature a few months ago. I do not intend to deal with this at great length, but I think the record must be set straight.

The Alberta Public Accounts indicate that the Alberta Provincial Treasury Branches—and this was substantiated in the budget speech of the Minister himself—last year held a total value of deposits of $109,507,000. Total loans amounted to $65,873,000 with a total reserve for doubtful accounts as at March 31, 1964, of $3,388,000. I believe those figures indicate that these Treasury Branches are rendering a very important service to the public and to the commercial operations of that province. They also indicate a need for an extension of bank services presently being rendered to the people of Western Canada.

I do not understand the Minister of Finance in his action against Provincial Government investment in banks, and I refer not only to the application by British Columbia for a chartered bank, but to others, in view of the fact that the Governments of the provinces concerned are anxious that adequate banking facilities and services be provided to meet the needs of their citizens. For those reasons we support the applications for charters for the Bank of Western Canada and the Laurentide Bank, as we will support others which indicate that they meet the requirements of the Bank Act.

[Mr. Thompson.]

Referring again to the legislation now before us, I should like again to state that it is significant more for what it does not contain than for what it does contain.

There are several points upon which we should like to commend the Minister. We commend him first of all for permitting an increase in the interest rate beyond 6 per cent for certain type of loans, which banks are presently not allowed to make. We commend him second, for bringing under the provisions of the Act some financial institutions, including near banks. I think this is necessary if we are going to have a financial policy on a national level. We also commend him for not tampering with credit unions or the Treasury Branches in Alberta, because we believe that both these institutions provide services which are essential to the economy and that they should be permitted to operate in this way. I trust there will be no attempt to deal with these matters either by amendment to the Bank Act or by secondary legislation such as the legislation dealing with the Quebec Savings Banks. Certain of these matters, of course, come within the exclusive jurisdiction of the provinces and any attempt to curtail or circumvent provincial jurisdiction can expect to meet with strong resistance from the provinces.

• (7:10 p.m.)

Thus certain features of this new banking legislation appear to be improvements. Others are of questionable value. Information will undoubtedly be obtained when the bill goes before the committee, and we hope we may get through with this stage of our discussions tonight. The hearings of the Finance Committee would in my opinion be very important, and certainly as a result a lot of information is going to be brought to light. Therefore I would concur with my colleague, the hon. Member for Medicine Hat (Mr. Olson), in hoping that the Minister will not delay the introduction of the legislation to extend further the present Bank Act, and at the same time I do not see why there should be any reason to shorten the length of time of that postponement. Let us have enough time so we can consider these things in the depth in which I think they should be considered.

However, there are certain features of the new Bank Act that we might discuss at this stage. For instance, there is the provision with respect to the cash reserve requirement in clause 72, subclause 1. It requires a bank to maintain a cash reserve in the form of notes of and deposits with the Bank of

Canada. Subclause 3, however, authorizes the Bank of Canada to require a bank to maintain a secondary reserve in the form of notes of and deposits with the Bank of Canada as well as other types of secondary securities. Why should a bank be required to maintain a cash reserve and then a secondary cash reserve, both in the form of notes of and deposits with the Bank of Canada? Could not the Bank of Canada under this type of provision defeat the very purpose of the provision in clause 78 (2) whereby the cash reserve percentage of 8 per cent shall be decreased progressively to 7 per cent?

There seems to be no sound reason at all to abandon the power to maintain a flexible cash reserve ration for the banking system, even though this power has not been fully used for some time. This clause institutes a new secondary reserve system of treasury bill holdings in addition to the 7 per cent cash ratio reserve also required. It is putting into law what has been done unofficially for some years. Nevertheless, I do not quite see the purpose that the Minister has in mind in introducing this into the legislation. Why could we not have carried on under the present practice?

From the point of view of the stability of the banking system it may be a good thing but, of course, John Q. Public is having to pay the interest on the treasury bills that the banks have to hold. I repeat that some similar requirements to this and relating to cash reserve ratios should really be required of any institution that is actually engaged in some form of banking, that is, in the acceptance of deposits which are transferrable and repayable on demand, but not backed 100 per cent by legal tender.

There are other questions to which we might refer that are not answered in this legislation. For instance, what about the relationship between a bank and a wholly owned trust company subsidiary? The legislation makes some reference to this and it seems that it is rather effective in one direction; but is this arrangement to be terminated or is it going to be allowed to continue? If so, under what terms and conditions will it be allowed to continue, keeping in mind that the Porter Commission made no recommendation as to banks being allowed to enter into the trust business at the present time, although it did recommend that the Bank Act be applied to a wider group of deposit taking institutions, which would seemingly include trust companies.

Section 18 (1) also raises a point of particular interest. This allows the bank to open accounts in central banks abroad and to accept deposits from central banks in other countries and pay interest on them. I may be reading too much into this, Mr. Speaker, but I believe this could develop into a most valuable instrument to aid international trade and settlements. In fact, I found it of particular interest because it is very similar to the recommendations made in a private Member's bill recently sponsored by my colleague, the hon. Member for Chicoutimi (Mr. Côté), which would amend the Bank of Canada Act to allow that bank to hold non-convertible currencies of other nations in its reserves. If this is what the new legislation intends, I think we could very well find the answer to many of our problems that are related to international trade and settlements, and certainly it might be used to expand our trade beneficially from the point of view of financing the sale of many of our surplus commodities.

Appropriate Bank of Canada deposits of dollars with countries abroad, or accepting deposits of "soft" currencies in Canada could make it not too difficult to stabilize currencies of nations needing such help, and at the same time provide funds with which to develop trade with many of the emerging countries. In my opinion the question of aid is not just something related to dollars or technical know-how such as we have in great abundance in Canada, but such action would help in a very material way to facilitate trade between Canada and some of the emerging countries which desperately need such trade.

There is another very interesting section which I might mention briefly. I refer to section 23, which is actually repealed. An honourable funeral is here given to the myth that the value of our currency is in any way determined by its convertibility into gold. I am reminded of a quotation. I do not know the author but certainly it applies here. This quotation states:

> A fallacy prevalent yet
> Is to think that the money we get
> Is based upon gold.
> It's not. What we hold
> Is deposit, created by debt.

Again, if possible hon. Members might be asked to ruminate on the question: If this be so, then what does back our currency, and why? This is a good question as we seek to understand what goes on in our own financial system and how our monetary system functions.

Our economic system has indicated for some time that we are now tending to move toward an inflationary trend which may well need to be checked. I am going to quote a few paragraphs from an article entitled "Money Supply At New Peak" which appeared on the 18th of May. The article reads in part as follows:

...the money supply was $18,743 million as at May 5, a new high record. This figure was up $193 million for the week, widest weekly increase since the end of March. In the past year—

In the fiscal year 1964-65.

—the money supply has expanded by $1,691 million.

Apparently it was thought that the affluent situation of the economy in particular required this, but certainly it is a lot of new money to come into existence in one week.

The amount of coin held outside the chartered banks is shown as $232 million in the latest report, unchanged from the preceding week. The amount of paper money or notes amounted to $1,933 million, an increase of $44 million for the week.

It is interesting to note that on the same date the amount of notes held by the chartered banks was $405 million, so that the public held nearly five times as much in paper money as the banks did. Bank notes do not earn interest, and banks tend to keep their holdings of such paper money at a minimum consistent with their requirements. In the week ended May 5 their holdings of bank notes were reduced by $40 million.

• (7:20 p.m.)

Then, Mr. Speaker, the same article mentions that the chartered banks, on May 5, held $3,746 million in Government of Canada securities, Treasury Bills and other securities, only $58 million less than a year ago. The article mentions that, in addition, they held $1,186 million on provincial, municipal and corporate securities, or $20 million more than a year ago and that deposits in, and notes of the Bank of Canada amounted to $1,368 million or $122 million more than a year ago.

As has already been brought to the attention of the House, the Government picked up $75 million of the present issue of Treasury Bills which went on the market today. This all refers back to the statement I made during the Throne Speech debate, Mr. Speaker, with regard to the fact that the Bank of Canada today holds approximately 15 per cent of the national debt. This is something many of us do not realize. Nevertheless, on August 7 of last year the Minister of Finance (Mr. Gordon) himself mentioned the fact and it is recorded on page 6552 of *Hansard* that these holdings comprised 14.6 per cent of the total Government securities outstanding on June 30, 1964. He stated also that the total income of the bank was $127,851,000 and the net income paid to the Consolidated Revenue Fund was $116,386,000. We are not protesting these facts. We are just pointing out that on this basis there is no reason why the Bank of Canada could not hold more of Canada's net debt, particularly since it is borne out that this is the policy of the present Government at this time. In other words, the Canadian people get the profit from the issues of this credit against their real credit; that is actually what is happening when the Bank of Canada buys up $75 million of these Treasury Bills. Instead of privately controlled financial institutions getting these profits, the people get them.

Well, Mr. Speaker, we will not continue talking about that. However, I should like to advance one proposal which I believe would be of great benefit to Canada. This proposal is not new. Members of this party have presented it before this House before, and my predecessor, Mr. Solon Low, referred to it during the bank legislation revision in 1954. We believe the Minister of Finance would be well advised to establish a permanent monetary commission composed of men who represent the Bank of Canada, the chartered banks, the Department of Finance and various aspects of our economy such as agriculture, labour, industry, and private business in general. Such a monetary commission might well be an extension of the board of the Bank of Canada, meeting regularly to consider all these matters related to financial and monetary policy of the Federal Government. This commission would not be silently responsible to some unseen power or authority, but would be able to answer directly to the representatives of the Canadian people sitting in the House of Commons. Likewise, they would be able to report through the Auditor General as the public accounts are reported today, making it possible to deal with financial and monetary matters before the Standing Committee on Finance, Trade and Economic Affairs.

It would be a means also of keeping Members informed about the Government's monetary policy, thus keeping the public informed as well. An informed public makes for a strong democracy as well as a strong Parliament. I am convinced such a permanent monetary commission would provide the answer to many of the problems we face in our economy today, problems which I do not believe are being given sufficient attention in our thinking to provide the answers. We

would get from such a commission an independent report periodically. In this way the Members of this House would be able to keep their fingers much closer on what was actually happening in the functioning of our economic system. The commission could be charged with overseeing the policy drafted and set up by the House of Commons; and overseeing and managing could include a very important point, one which I think is of tremendous importance to the people of Canada, and that is the decennial revision of the Bank Act which we are debating now.

In closing, Mr. Speaker, I would say that what we need in Canada today is a desirable economy. A desirable economy might be expressed as an economy which utilizes all modern methods of production, but which at the same time offers equitable employment for all. I suggest that there is a national inventory level of purchaseable production which, when maintained by an effective demand, would bring about the desirable economy. "Effective demand" is when the people of Canada would have within their own hands the necessary purchasing power to buy those things which are necessary to enable the standard of living of which we are capable and which, at the same time, would solve the problem of distribution that presently faces us. Certainly, our problem today in the economy is not one of production nor one of consumption, so long as there are people in Canada or in the world who need the things we can produce. As long as there are people who need what we can produce, there can be no surplus. What we need is an effective demand that will move the production of which we are capable into the hands of those who produced it and who wish to consume it. This should be the function of a desirable economy.

It is through the effective functioning of our banking system, it is through the policies that are laid down in the legislation regarding banking by this House, that such a desirable economy can be brought about. I just emphasize, therefore, that the meetings of the committee to which this legislation is going to be referred, this whole question of bringing about the proper type of legislation to control monetary policy through our banking system, should deal with this important matter connected with the welfare of the country.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I have listened with interest to a portion of this debate. Unfortunately, I could not be here all the time because of other duties in my office and elsewhere. I must say I have listened with great interest to the hon. Member for Red Deer (Mr. Thompson). I can never quite understand our Social Credit friends, Mr. Speaker, because if they were to give effect to the ideas they put forward in this House concerning Social Credit, we would have a socialist democratic form of Government. There is no question about it. I cannot understand why they want to socialize credit without accepting the full social responsibility of such action.

Mr. Thompson: May I ask the hon. Member a question? Does he not think it would be much better to consider socializing our credit to preserve and strengthen a private enterprise economy, than it would to turn it over to state ownership?

Mr. Herridge: I am glad to answer that question. If we socialize our credit, then what we have actually done is to assume federal social responsibility over the economy, upon which could be based legitimate private enterprise which also recognized its responsibility to the community.

• (7:30 p.m.)

Mind you, Mr. Speaker, I realize these people have a germ of an idea in which there is a basis of truth. The only thing is that they will not come quite far enough along the road.

To the majority of people, banking has been a mystery every since the Rothschilds financed Wellington at the Battle of Waterloo, and Napoleon on the other side. Later they made a big profit as a result of a messenger going to Britain and informing the Rothschilds of the victory of Wellington, before the government knew.

Mr. Thompson: And the people of Great Britain are still paying the interest on that.

Mr. Herridge: That is quite right. The people of Great Britain are still paying interest on debts incurred during the Napoleonic wars, and later.

Mr. Churchill: Would the hon. Member permit a question?

Mr. Herridge: Certainly.

Mr. Churchill: I am sure the hon. Member would not want his statement to reverberate down through history about Rothschild financing Wellington at Waterloo. Was it not a fact that he got advance notice of Wellington's victory at Waterloo, and as a result of that made a fortune?

Mr. Herridge: They financed both governments in the Napoleonic wars, but the House of Rothschild was substantially founded on the profits made as a result of Wellington's victory at Waterloo. I think we are both correct. Anyway, this question has always been a mystery to the average man.

The late former Prime Minister, Mackenzie King, recognized this fact when he said something to this effect in the House, recognizing as he did the power over the economy that was in the hands of those who control credit—"Give me control of the credit of any nation and I will control that nation." I am sure our present Minister of Finance (Mr. Gordon) has the same point of view, only he has not expressed it so forcefully. However, there will come a time in the not too distant future when the Members of our party will have allies in the Members of the Social Credit party and the Creditistes in the cause of social control of credit, and at some later date, possibly 25 or 30 years hence, we can expect to get allies from the Progressive Conservative party.

I give the Minister credit for having an appreciation of the responsibility of the banks to the nation as a whole. I understand that this bill is to be referred to a committee—I have forgotten its exact name.

Mr. Knowles: Finance, Trade and Economic Affairs.

Mr. Herridge: My hon. friend from Winnipeg North Centre (Mr. Knowles) says it is Finance, Trade, Economic affairs and what not. Anyway, I trust this committee will take every opportunity not only to inform its members but all Members of the House and the people of this country on how the banking system works.

I just want to place on record some ideas that have been given to me by a person who believes we can improve the service rendered the nation by the banks by a combination of public control through legislation and private operation. I think my friends in the Social Credit group would go along with his ideas, and I just mention them because I have had considerable correspondence with this gentleman and think he should be called before the committee to explain his ideas; he gives a program for mobilization of money under federal control in a five year plan.

Mr. Woolliams: What is his name?

Mr. Herridge: Richard H. Babbage. Possibly he is known to the Minister. Anyway, his general idea is, and I quote:

[Mr. Churchill.]

An extended banking system supervised by the Bank of Canada pursuant to existing statutes enacted by the Parliament of Canada.

Designed to consolidate:

1. Federal control of currency and credit;
2. Provincial control of natural resources;
3. Effective financial supervision of all organizations operating in public ownership.

Then he goes on to deal with the organization of this type of plan, and first he says:

1. Establish in the Bank of Canada a separate account for each provincial government.

2. Set up a national revolving fund as a federal government account in the Bank of Canada made up as follows:—

(a) Revenues of all government agencies, Departments, Crown Corporations and Canadian Wheat Board.

(b) All chartered bank reserves and rest funds.

(c) Special payments received by the Government of Canada.

(d) Reserves of Life Insurance Companies.

(e) Revenues of all public utility corporations.

(f) Pension fund holdings of federal government bonds.

(g) General public holdings of federal government bonds.

(h) Branch line rationalization fund.

All the foregoing deposits would remain in chartered banks as agents for the Bank of Canada.

Then he goes on to suggest:

Deposit accounts enumerated above would be designated "Special Account (Control)" in Bank of Canada ledgers. Expenditures debited to such accounts would require federal Cabinet Order in Council. This procedure is followed by the Canadian Wheat Board at present.

The national revolving fund, holding currencies of countries trading with Canada, could finance all foreign aid programs. Similarly, obligations to the United Nations and NATO could be serviced, as well as interest on the national debt which could be liquidated progressively.

I hope my friends in the Social Credit group are following me.

Forming a continuous flow of flexible money supply the national revolting fund would finance all projects for the good of Canada in keeping with special powers allotted to the provinces in the B.N.A. Act subject to Cabinet authorization.

Credit demands by private individuals and corporations would be serviced and provided by chartered banks, solely, under free competition as to interest rates.

All government grants, subsidies, subventions and state insurance for private profit enterprise would cease. Risk capital, unhampered by taxation on consumption by Government at three levels, would have fair administration subject to the rule of law.

Any doubt about the capacity of Canadian chartered banks to furnish loans (both long and short-term) for greatly stimulated activity in farm and factory, is dispelled by statistics, published recently, in *American Banker Magazine*, which rates two Canadian banks among the ten largest banks in the free world, judged by size of deposits.

How Canadian banks stood in that list appears as follows:

Royal Bank of Canada (8)	$4,686,339,000
Canadian Imperial Commerce (9)	4,529,904,000

Bank of Montreal (17)	3,709,920,000
Toronto Dominion (44)	2,109,450,000
Bank of Nova Scotia (47)	2,037,221,000

These five banks hold liquid assets of Canadian depositors aggregating $17,072,834,000. Assuming an average cash ration of 8 per cent, that amount of liquidity would finance loan demands in excess of $213,000,000,000.

I mention this because I have had a lot of correspondence with this gentleman who, I think, has something for us to consider in the ideas he has put forward.

The more rapid and radical changes induced in our way of life by science, the greater is the need for social stability made possible by organized sharing of potential hazards.

More than two-thirds of income tax, collected by the federal Government at present, comes out of pay envelopes of all who earn salaries and wages. This represents the most acutely felt "potential hazard" afflicting the Canadian population today. Financing through a national revolving fund would pull deduction slips from pay envelopes.

Mobilization of money operating under federal control in compliance of laws of Canada would, at once, ensure absolute control of the public purse by the House of Commons, notwithstanding anything in any part of the constitution.

This is a very interesting idea and does provide an opportunity for the federal social control of credit, and yet do it through the chartered banks. In my opinion, a person with such a policy should have an opportunity to appear before the committee, express his views, and be questioned. I simply rise to suggest that this committee has an opportunity, if the committee majority agree to accept that opportunity, to call persons and witnesses before it to gather their ideas not only with respect to our banking system as it is now, but to the system as it might be amended or altered. In so doing they would inform members of this House as to the way in which the banking system operates and how it could be improved. The population of Canada generally would also be provided with important information on this subject. Not only could we amend the Bank Act, but in so doing we could give the people generally an understanding of the way in which credit is distributed for the development of our economy. If this committee undertakes its responsibility not only to the Government and to the House but to the people of this country generally we would have some knowledge of the effect of bank policies upon our economic health and future development.

• (7:40 p.m.)

That is all I have to say, now. I think these ideas, as well as the ideas which have been put forward by others, should be given consideration. Even the ideas of the hon. Member for Red Deer (Mr Thompson), should be considered. If he wishes to go before the committee and outline in detail how the program put forward by his hon. friends would affect our economic development, I think he should be given the opportunity to do so.

Hon. Walter L. Gordon (Minister of Finance): It has been suggested recently that clause 75(2)(g) is restrictive and unfair in its application to the Mercantile Bank of Canada. There seems to be considerable misunderstanding about the facts of the matter, which are as follows:

The proposed bill includes sections which:

(a) will ensure that control of the Canadian banks—apart from the Mercantile—will be retained in Canadian hands;

(b) will restrict non-resident participation to 25 per cent of the shares of any bank;

(c) will restrict the holdings of any single shareholder or group of shareholders—foreign or domestic—to 10 per cent of the shares;

(d) will not permit Canadian banks to control other corporations including trust and loan companies.

The Government is anxious to see a number of new banks incorporated. Therefore, in the initial stages in order to encourage this, it is not proposed that the limitation of shareholdings to 10 per cent will apply. However, such new banks will be subject to the provisions of clause 75(2)(g) which will limit their total resources to 20 times their authorized capital until such time as their shares are more widely distributed, and no single person or group holds more than 10 per cent.

The Mercantile Bank of Canada is a wholly owned subsidiary of the International Banking Corporation which, in turn, is owned by the First National City Bank of New York. I understand that International Banking Corporation also owns all the shares of International Trust Company, which is a Canadian trust company operating in Canada.

All this places the First National City Bank of New York in a preferred position on three counts:

(i) It owns all the shares of a Canadian bank, something that no one else will be permitted to do.

(ii) It owns both a chartered bank and a trust company in Canada, something no other bank or anyone else will be permitted to do.

(iii) It is the only foreign bank which may conduct a banking business in Canada.

In these circumstances, the question arises whether the provisions of clause 75(2)(g) which will apply in the case of all other banks in Canada, should be applicable to the Mercantile.

It is argued on behalf of Mercantile that the application of clause 75(2)(g) will be restrictive and therefore that it is unfair to the owners of that bank. I cannot accept this suggestion of unfairness. This whole matter was very fully discussed with representatives of the First National City Bank of New York before they acquired the shares of Mercantile.

On July 18, 1963, Mr. James Stillman Rockefeller, President of the First National City Bank of New York, and Mr. Robert McFadden, an officer of that bank and now President of the Mercantile Bank of Canada, called upon me in my office here in the Parliament Buildings. Mr. R. B. Bryce, Deputy Minister of Finance, and Mr. Clayton Elderkin, Inspector-General of Banks, were present during the discussion.

Mr. Rockefeller informed me that his bank had made an arrangement with the shareholders of Mercantile to acquire the shares of the latter bank but that no firm commitment had been made with them. I interpreted this to mean—or at least I did to begin with—that no commitment would be made to buy the shares in question if the entry into Canada of the First National City Bank was not looked upon with favour by the Canadian Government. I said I was glad to have an opportunity of expressing the views of the Government in this matter because, while we were aware of the size, importance and standing of the First National City Bank of New York, there would be some objections to the proposed purchase.

I said I quite realized it would be legally possible in this way for the First National City Bank to acquire a banking subsidiary in Canada. This rather unique circumstance amounted in effect to a loophole in the law which requires that bank charters be approved by Parliament. Because of this, First National City Bank could establish a subsidiary here which might be expanded into a large foreign-owned banking institution—unless subsequent action were taken when the Bank Act came up for revision.

I pointed out that if the First National City Bank entered the Canadian banking field in this way, it was probable that other United States banking corporations would wish to do so as well—but in that case either new charters would have to be obtained or such other United States banking corporations would have to purchase a controlling interest in one of the existing Canadian banks. I said the latter course would not be looked upon with favour by the Canadian Government and I added that it was highly unlikely that a new charter would be granted by this Parliament for a bank that was to be non-resident controlled. I said the Government would not be in favour of any such action.

I emphasized that the situation then, that is, in mid-1963, was different from what it had been in 1953 when the Mercantile received its charter. Since that time, the Royal Commission on Canada's Economic Prospects had recommended that control of Canadian chartered banks should be held by Canadians. I said that following receipt of the report of the Royal Commission on Banking and Finance the Government would have to decide how the Bank Act should be revised, and in particular what should be done to ensure that control of the Canadian banking system remains in Canadian hands.

I informed the representatives of the First National City Bank that normally it would be unfair to apply retroactively any legislative restrictions on control of banks by non-residents. However, I said that since the First National City Bank were now aware of the Government's views, and had not at this time purchased control of Mercantile, the Government would not consider they were entitled to any special exemption from legislation in respect of foreign ownership that might be brought down in the future.

After a very full discussion, I advised the representatives of the First National City Bank of New York not to proceed with their proposed action until after the Bank Act was revised. There was no misunderstanding on the part of any of those present as to exactly what was meant. The representatives of the First National City Bank of New York were given clear notice of the Government's views. They were forewarned about the kind of legislation that might be expected when the Bank Act came up for review. I pointed out that Mr. Rockefeller and Mr. McFadden had sought an interview with me to ascertain the views of the Canadian Government before proceeding with a certain transaction. They had now been informed of the Government's views in categorical terms.

Mr. Woolliams: Would the hon. gentleman permit one question?

Mr. Gordon: Would you allow me to finish?

Mr. Woolliams: Yes.

Mr. Gordon: It is difficult to understand why the representatives of the First National City Bank of New York would have sought an interview with me as Minister of Finance if they had planned to go ahead with the transaction regardless of the views of the Canadian Government. Nevertheless, that is exactly what transpired. About 10 days after the interview referred to, the representatives of the First National City Bank informed me that, notwithstanding the Canadian Government's views, they had decided to go ahead with the acquisition of the Mercantile Bank shares. They did so with their eyes open.

• (7:50 p.m.)

It has been reported in the New York press that the First National City Bank entered into this transaction "in good faith" and therefore no action should be taken in revising the Bank Act that could in any way discriminate against the Mercantile. This is not a true representation of the facts. As I have said, the First National City Bank were quite aware of the Government's views before they purchased control of the Mercantile Bank. In these circumstances, if we were to treat the Mercantile differently from other banks now incorporated or which in the future may be incorporated in Canada we would be discriminating against everyone else—

Mr. Herridge: Hear, hear.

Mr. Gordon: —including, incidentally, any other U.S. banking institutions which might like to purchase a controlling interest in the Canadian banking system but who will be prevented from doing so under the provisions of this Act.

Mr. Lambert: The Mercantile was already foreign owned.

Mr. Gordon: For some time I have been looking forward to the opportunity of replying to some of the arguments and opinions put forward by Social Credit Members relating to our banking system and our banking legislation.

Mr. More: What about those of the hon. Member for Kootenay West (Mr. Herridge)?

Mr. Gordon: The revisions which we now propose making to the banking legislation do not represent any departure from the principles on which our monetary system has been established, so they raise no new questions of this nature. However it is natural that hon. Members who feel strongly on these matters should wish to take this occasion to advance in detail some of the views they have expressed in the past, and which are founded on the belief that there are fundamental defects in our monetary and financial system which need to be remedied.

Let me say first of all that I believe the general understanding of economics up until about 30 years ago was inadequate for the task of analysing the working of the financial system. It was understandable, therefore, that various monetary reform movements, including Social Credit, should arise. In the past 30 years, however, great progress has been made in analysing the working of our economy, thanks very largely to the basic ideas developed by John Maynard Keynes, and since applied widely throughout the world.

As a consequence of the progress made in the last three decades, it is not necessary to be a Social Crediter these days to understand that the supply of money occupies an important place in our economy, or that its proper management is essential if we are to achieve our economic objectives. I mentioned these objectives, hon. Members may remember, in the third paragraph of the budget speech, which can be found on page 427 of *Hansard.*

Our economic objectives are essentially in terms of real things—real goods and services —and the way they are distributed among Canadians. The essential purpose of our monetary system is to enable the economic system, as a whole, to produce the goods and services Canadians want, and to distribute them.

If we are to secure a high and sustainable level of economic growth, the money supply must grow along with our other economic magnitudes. This is well recognized both by the Government and by the Bank of Canada. In this connection I might refer hon. Members to what I said in the Budget speech in regard to monetary policy and liquidity, and to what the Governor of the Bank said in his annual reports; for example, on the first page of the report for 1964. Our present monetary system is one which enables this growth in the money supply to be brought about fairly and sensibly under the careful day-to-day management of the Bank.

There is, I think, no question in any of our minds now of the necessity of this growth

in the money supply, or of the need to manage it, in order to achieve our economic objectives. The preamble to the Bank of Canada Act constitutes an early statement by Parliament a generation ago of the desirability to establish a bank to carry out this management of the money supply to promote the economic and financial welfare of the nation. Where we and most other people differ with the hon. Members who espouse Social Credit doctrines is in the causes for the necessity of the expansion in the money supply, in the means by which it should be brought about, and in the degree to which it should and can safely take place.

Social Credit theory, as I understand it, argues that there is an inherent deficiency in our economic system which leads always to an insufficiency of the supply of money. There have been, I know, a number of arguments of various degrees of sophistication as to what gives rise to this deficiency. These were fashionable a generation or so ago, and some hon. Members may recall them in connection with the "A plus B" theorem. I have never been convinced that there was such an inherent deficiency. I have been convinced, however, that management of the money supply was necessary both to enable the economy to reach its full potential at any particular time and also to enable it to achieve a high and sustainable rate of growth.

However, I do not believe there is any point in going into this theoretical question of inherent deficiencies at this time. What we need to ensure is that we have a monetary system which enables the money supply to be properly managed and to be expanded or restrained from time to time in the degree that is desirable in the public interest.

Our present monetary system does permit an effective, flexible control over the money supply to be achieved. This control is exercised by the Bank of Canada in varying the amount of cash in the banking system. The main method by which the Bank of Canada affects the amount of cash in the system is by buying and selling Government securities from and to the public. The sale of securities reduces the supply of cash, since purchasers of the securities pay for them by turning over cash in their bank accounts to the Bank of Canada. The purchase of securities by the Bank of Canada increases the supply of cash, since the Bank pays for those securities by handing over cheques drawn on itself which are then deposited mainly in the chartered banks.

[Mr. Gordon.]

The chartered banks must maintain minimum cash reserves with the Bank of Canada —8 per cent of their deposit liabilities under the present law, and 7 per cent under the law as now proposed. This requirement is, as it were, the first call on the increase in their deposits resulting from Bank of Canada purchases of securities from the public. When that requirement is met, the banks may increase their loans and buy securities themselves, up to the point where the resultant increase in the deposit liabilities requires a further increase in their minimum reserve deposits with the Bank of Canada.

It is thus the combination of open market operations by the Bank of Canada and the minimum reserve requirement which essentially determines the volume of deposits in the chartered banks. And it is the volume of deposit liabilities of the chartered banks which essentially determines the supply of money, the supply of bank credit, and indirectly, through the complicated market mechanism described in the report of the Royal Commission, the volume and terms of other credit in our financial markets. I might refer hon. Members, who have not had an opportunity of reading it, to chapter 6 of the Royal Commission's report which deals with this. The nature of the system permits a day-to-day control to be exercised and the effects of any adjustments to be noted and assessed when subsequent changes are under consideration.

• (8:00 p.m.)

Mr. Speaker, Social Credit critics claim that the control of the money in the economy rests with the private banking system. Moreover, it is claimed that the private banks can increase the amount of money in the country at will, and without cost to themselves. These claims are entirely wrong. The control of the amount of money in the economy rests with the public monetary authorities, that is, the Bank of Canada and the Federal Government. I might mention in parenthesis that the proposed amendments to the Bank of Canada Act, relating to the powers of the Bank of Canada and the Federal Government, spell out in greater detail than hitherto exactly where the power does reside. The money supply can only be increased in so far as the Bank of Canada supplies the necessary cash which flows into the chartered banks and increases their deposits. The banks can only increase the money supply within the scope given them by the Bank of

Canada and they must maintain the confidence of the public in order to attract and retain deposits.

If the amount of cash in the system is increased the banks compete for their share of it. This they do by inducing individuals to deposit with them any additional cash they may have. These deposits represent a liability of the bank to the depositor on which interest may be paid by the bank to the depositor and in respect of which services must be rendered. If a bank's cash reserves are increased by the action of a depositor the bank is in a position to increase its earning assets by making loans or buying securities. Indeed, a bank must increase its earning assets if its deposits increase significantly, since deposits involve a cost to the bank. In the process of increasing its assets the banking system's total deposit liabilities will increase up to the point where its cash reserves, which are controlled by the Bank of Canada, are equal to the required cash ratio—or nearly so. The banking system's total deposit liabilities and its total assets cannot exceed the limit thus established. Any individual bank can increase its loans and investments only to the extent that it has attracted and can retain deposits. So that if for any reason an individual bank's depositors decide to reduce their balances with that bank it must to that extent draw on its assets, first by running down its cash and then by making good the loss of each through liquidating other assets in order to maintain the required cash ratio. The success of an individual bank depends on its ability to induce the public to hold its liabilities.

I turn now to the question of the degree of monetary expansion, which is the third source of our difference with Social Credit. While the difference here is of great importance, it may be fair to say it is one of emphasis and degree. Many exponents of Social Credit imply that large increases in the supply of money can safely be made, and indeed should be made, except perhaps at times when clearly the economy is at full employment and under strain. We believe, on the other hand, that the increase in the supply of money has to be carefully controlled and determined after careful economic analysis and the application of good judgment to appraisal of the economic situation. If the increase in the amount of money is too little, credit stringency may inhibit the desirable economic expansion of growth. But if, on the other hand, the increase in the money supply is too much, it will lead to price and cost increases and to balance of payments difficulties. If such increases in the money supply and consequent increases in the pressure of expenditure in the economy should persist, we can expect that ultimately they will lead to inflation and, in a country such as ours, to an exchange crisis.

I do not believe that the proponents of Social Credit feel that price increases and inflation constitute a serious danger; indeed, in their view it is better to run these risks than to suffer a deficiency in expenditure for purposes either of employment or of social justice. In my view they greatly underrate the dangers inherent in such attitudes. This is the chief weakness in their approach to our financial problems.

Quite apart from the effects on the balance of payments and the exchange position, inflationary pressures are highly undesirable. In the first place, they produce an unstable situation which cannot last. They lead to speculation, to efforts to anticipate further price increases and to expenditures on many things both of a capital and current nature which are not justified by the long-run prospects of the economy. Moreover, these excesses are apt to be reversed in time when the public is unwilling any longer to accept the consequences of inflationary conditions and when the economic actions to which they have led have proven to be ill-founded.

Second, we must recognize that inflation is fundamentally unfair. It confers great benefits on the economically strong and sharp. Those who can quickly see what is going on, and can manoeuvre and bargain to take advantage of it will undoubtedly gain. They are not to be found only in one particular class in the community, but include many of those with strong economic bargaining power. They gain at the cost of the weak, the innocent and the uninformed. It is true that nowadays governments, under such circumstances, frequently come to the aid of the weak or the innocent. But there are always some whose plight is overlooked, who will not or cannot seek to protect themselves. It is these poeple who bear the burden of inflation. It is this unfairness in the distribution of benefits and costs which leads to the political and social trouble to which serious inflation almost inevitably brings nations, whether they be advanced industrial societies such as some in Europe after the First World War, or developing countries such as some in Latin America in more recent years.

The other chief danger arising from excessive expenditure associated with an ex-

cessive increase in the money supply is the effect on the balance of payments. Naturally, much of the excessive expenditure will create demands for imports as the limits of domestic production are approached or exceeded. These imports must be paid for by the use of foreign exchange from a nation's reserves or by borrowing abroad, or by setting in motion forces that will check other imports or increase exports. The solution of borrowing from abroad is not likely to be available if a country is clearly permitting excessive expansions in its money supply and expenditures to create the kind of situation I have discussed. The use of reserves can only go on for a limited period as nations cannot normally afford to hold sufficient reserves to finance a lengthy spree.

Consequently, the likely result of a prolonged period of excessive expenditure is apt to be a depreciation of the currency involved. We have before us the example of the United Kingdom now having to take stern action to meet the situation created by a moderate excess of expenditure in an economy operating at full stretch. Our own history affords two examples since the end of the war, arising out of different causes, of the necessity to meet serious shortages of foreign exchange by unpleasant emergency action.

When a country gets into balance of payments difficulties as a result of excessive expenditure, it is apt to find itself confronted by a crisis arising from the anticipation of further difficulties. The expectation that it will be forced to permit its currency to depreciate naturally leads people to take whatever action they can to protect themselves, either by delaying the acquisition of that country's currency or expediting its sale, in carrying on commercial transactions. Moreover, both the residents of the country and others outside it who have invested in it are likely for reasons of ordinary prudence to want to protect themselves by moving their capital out of that country to somewhere else. It is this which gives rise to the need for vast sums to meet these capital movements under conditions where currencies appear threatened. This in turn calls for demonstrably effective measures to ensure that the excessive expenditures are being checked, unless of course the nation is prepared to see its exchange rate forced to a lower level.

• (8:10 p.m.)

If by any chance it should ever appear that a Canadian Government was going to apply Social Credit policies in a wholehearted way, I believe we could expect Canadians and others with investments here to move their capital out of Canada. I say this because those favouring Social Credit principles have given great emphasis to the increases in the money supply to which their doctrines lead. They have stressed the size of the programs they feel can be achieved by the application of these doctrines. Almost certainly this would undermine confidence in the currency on the part of all those who were in a position to protect themselves. In other words, as I have said before, any prospect of Social Credit theories being applied in practice would lead to a financial crisis in which the little fellow would be bound to suffer.

I should like to turn now to a number of specific points that have been brought forward by hon. Members favouring the Social Credit doctrine.

Mr. Woolliams: You are doing a good job.

Mr. Gordon: I have been interrupted by my hon. friend, but may I say I am only doing this because hon. Members of the Social Credit party and the Creditistes have asked me to comment on their theories. I promised to do so and I am just fulfilling that promise.

Mr. Patterson: We appreciate it.

An hon. Member: But we disagree.

Mr. Gordon: First of all, I should like to comment on the implications of the proposal that banks should be required to hold 100 per cent cash reserves. Let me describe as briefly as I can the kind of situation which could be expected to prevail if the banks were required to match their deposit liabilities with assets held only in the form of cash, which earns nothing. That is what is meant when people suggest that the banks should be required to keep 100 per cent cash reserves against all deposit liabilities instead of holding, as at present, 8 per cent in the form of cash and 92 per cent in the form of interest bearing assets.

In these circumstances no bank could make a loan to a customer except from the relatively small amount of its own capital. It could not use savings deposited with it to finance business stock in trade, for example, or to buy seed grain. It could not assist a municipality to operate efficiently through the year when its tax receipts come in irregularly. It could not assist the private citizen to budget his major expenditures by providing funds when

they are needed so that he can pay for the "big ticket" items over a period of time out of his current income. Because the bank would not be earning interest by making loans, it would not be able to provide the other services which people look for, except at greatly increased cost to the customer. The cost of paying a bill by cheque, for example, could increase to many times the present bank charge for handling a cheque.

Then, too, the citizen who placed his savings in the bank would quickly find that he was losing money. If the bank could not use deposits to make loans, it could not make interest payments to its depositors. Instead, it would have to charge customers with the full cost of safekeeping and maintaining accounts. The bank would be required to lend the savings of Canadians which had been deposited with it to the Bank of Canada without interest, to be lent in turn without interest to the Government for its purposes. Whether these purposes were good or bad, the arrangement would not be a fair deal for those who deposited their funds in the banks.

This is the essence of the proposed 100 per cent reserve system. It is a way for the Government to get the use of people's savings, their capital, deposited in banks without paying them interest on it. I do not believe that such a system could work to the advantage of the people of Canada. Moreover, if it ever should be tried in practice, people would keep only the barest minimum on deposit with the banks and invest their money in other institutions or in securities.

I should now like to comment as briefly as I can on the subject of interest on the public debt and whether it does indeed represent a burden or a loss of purchasing power, as some hon. Members have suggested. It is true that interest payments are an expenditure by Government. They must be provided for in the budget and we raise money by taxation to meet these costs. But almost all of Canada's national debt is held by Canadians. The interest payments made by the Government are a form of income in the hands of those Canadians who receive them. Government bonds provide a secure means of investment for the savings of the people, either directly in the form of Canada Savings Bonds or other Government obligations or indirectly through savings in pension funds, insurance companies, trust companies and similar institutions which invest substantial amounts in Government bonds. Thus the country as a whole does not lose purchasing power as a result of the interest paid on the debt. A writing down of this debt or arbitrary reduction of interest payments would represent a loss of savings and of income to those who have saved for their old age or for emergencies. It would represent a loss, for example, to people who have protected themselves and their families through life insurance policies.

I had hoped the exposition of the working of the present monetary system given by the Royal Commission would have lifted the level of the debate on monetary theory to a discussion of modern issues based on a better understanding of the system. It is now generally accepted by those who understand the working of our economy that our monetary system must be well managed, and that is the case today. To try to convert our banking system to a 100 per cent cash reserve system, to try to create money to be lent to governments without interest, would be an irresponsible interference with the rights of millions of Canadians who save their money and keep part of it on deposit with our banks.

Canada is fortunate to have a good banking system that uses the savings deposited with it to help other Canadians to produce and sell what we need, or to finance purchases for later repayment. We can improve it in detail as we are now proposing to do. But we must not be deluded into thinking that all bank deposits can or should be diverted to Government purposes without interest. That would not only be grossly unfair to depositors but would destroy the essential role which the banks play in financing primary producers, consumers and businesses of all kinds.

As I said a minute ago, I have made these remarks because I promised, and have been promising to do so, and this seemed to me a good opportunity. I felt that hon. Members of the Social Credit parties had spoken not infrequently on this general subject and that they were entitled to a careful reply, which is what I have tried to give them this evening. In conclusion I should like to urge my friends in the two Social Credit parties to abandon theories that are obsolete and are based on clearly demonstrated misconceptions.

Mr. Herridge: Would the Minister permit one question?

The Acting Speaker (Mr. Batten): Order.

Mr. Herridge: The Minister mentioned that the present banking system provides the

credit necessary for the economy on a flexible and almost day to day basis. Can he explain why firms in my district in 1960, when there were credit restrictions and they wanted to borrow $10,000 from the bank, were told by the bank managers that they were restricted. They had bonds to cover the loans, but they were advised to go to the Canadian credit unions to get the credit, and did so. Can he inform the House why that was necessary?

• (8:20 p.m.)

Mr. Gordon: Well, Mr. Speaker—

The Acting Speaker (Mr. Batten): I should point out to the House that the House is advised the Minister was closing the debate on second reading. According to the Standing Orders—

Mr. Douglas: The hon. Member is asking a question, and the Minister has agreed to reply. He asked the question before the Minister sat down. Surely there is no objection to the Minister's answering.

The Acting Speaker (Mr. Batten): I just hope the Minister can answer this question without generating further debate at the close of second reading.

Mr. Gordon: I would be glad to answer this question, and then I should like to make one other comment in reply to a question raised earlier by the hon. Member for Nanaimo-Cowichan-The Islands (Mr. Cameron).

In reply to the question raised by the hon. Member for Kootenay West (Mr. Herridge) I can only say that, like him, in 1960 I was not altogether happy with the way monetary policy was being conducted. I believe that I am on record to that effect.

Mr. Douglas: Is that why the Minister voted for debt free money?

Mr. Gordon: The hon. Member for Nanaimo-Cowichan-The Islands, one of the more serious Members of his party when it comes to banking and finance, raised a point about the provision in the proposed bill having to do with the granting of charters. He wanted to know if an applicant for a new charter were refused, would there be any provision for appeal. I might, of course, point out that there would be no reason at all in such circumstances why an applicant could not try to prevail on some hon. Member of the House to introduce a private bill. Whether or not such a private bill would have any more success than some of the private bills have had recently, I am not in a position to say. However, that would be an obvious resort for people in that position.

[Mr. Herridge.]

Mr. Woolliams: The Minister agreed to answer one question for me when he was speaking. My question certainly is not a political one.

The Acting Speaker (Mr. Batten): Order, please. I must advise the Minister that his time has expired. If it is the wish of the House, the Minister may answer the question.

Some hon. Members: Agreed.

Mr. Woolliams: My question briefly was this: Was the Mercantile Bank the only bank at that time owned by foreign interests that could be acquired by United States interests?

Mr. Gordon: It was the only one owned by foreign interests. As I have reported or announced on another occasion in this House, there was an attempt, or a proposal, to acquire control of a Canadian owned bank, but that was prevented by the announcement which was made in this House on September 23 last, when we said that legislation was going to be introduced to prevent that sort of thing and it would be made retroactive.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

BANK ACT AND QUEBEC SAVINGS BANKS ACT

EXTENSION OF CHARTERS TO DECEMBER 31, 1965

Hon. Walter L. Gordon (Minister of Finance) moved that the House go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Bank Act and the Quebec Savings Banks Act to extend to December 31, 1965, the authority to carry on business for the banks to which these Acts apply.

Motion agreed to and House went into committee, Mr. Batten in the Chair.

Mr. Gordon: Mr. Chairman, the resolution before the committee proposes that the charters of these banks be extended for six months, until the end of December, 1965. It was thought that this should provide ample time for the committee on Finance, Trade and Economic Affairs to deal with the proposed revision of the Bank Act, to report back and have the bill revising the Bank Act passed. I still hope there will be plenty of time. It is certainly my hope that this bank legislation would be dealt with expeditiously.

Some hon. Members of the Official Opposition, and some of the other Opposition parties have suggested to me it would be acceptable to them if, instead of extending the charters until December 31, 1965, we were to extend them until July 1, 1966, that is for a full year. I am in the hands of the committee. The hon. Member for Edmonton West, who has held a rather exalted position in this House, has mentioned to me, as I was about to point out, that this would be an unusual amendment to suggest. I am advised that it could be passed if there were unanimous consent, but I am not sure of this. I am looking at my friend opposite, who put me up to this in the first place. If there is any question about it, Mr. Chairman, I will just forget about the whole thing. I believe we should be able to get the revision of the bank legislation through by the end of this calendar year.

I apologize for these remarks which I was making at the suggestion of some of my hon. friends opposite. If there is some question about it, we should forget about it. I hope that since this is a rather straightforward, small bill, it can be passed. If there are any questions, I would be glad to answer them.

Mr. Lambert: I was pointing out this afternoon to the Minister of Finance the difficulties that might ensue as a result of a prolonged summer recess, depending upon the length of the committee deliberations. However, regardless of whether we have unanimous consent or not, there is one minor difficulty. We do not have the recommendation of His Excellency the Governor General on the amended resolution which, I am informed, would be required. I agree, therefore, with the Minister, that we should leave it at that.

Mr. Olson: We also made the suggestion that perhaps it would be better to extend these charters for one year. We have no real concern, however, that the revision cannot be dealt with by December 31, 1965.

• (8:30 p.m.)

As has been pointed out, if there is a reasonably long summer recess and the committee deals with it after the recess, we do not want the committee to be under the pressure of a time limit. We want it to have ample time to interrogate the officials of the Department of Finance and of the Bank of Canada, and anyone else it wishes to call before it. If it were possible to find a way to provide an extension for 12 months, rather than six months, I would hope it would be entirely feasible to have the work completed by the end of the year.

Resolution reported and concurred in.

Mr. Gordon thereupon moved for leave to introduce Bill No. C-116 to amend the Bank Act and the Quebec Savings Bank Act.

Motion agreed to, bill read the first and second times, and the House went into committee thereon, Mr. Lamoureux in the Chair.

On clause 1.

[*Translation*]

Mr. Lambert: Mr. Chairman, what is the number of the bill now before us?

[*English*]

The Chairman: There is no number assigned to this bill yet.

Mr. Lambert: No?

The Chairman: No.

Mr. Knowles: Mr. Chairman, I simply rise to offer a solution to a problem. I realize it might not be very popular, but I will try it anyway. There seems to be some concern as to whether the ten year revision will be got through before the end of December. Perhaps the simplest thing to do is do what we did with the Canada Pension Plan, have the committeee meet during the recess.

Mr. Gordon: I am very grateful for that suggestion.

Mr. Cameron (Nanaimo-Cowichan-The Islands): I hope the Minister will hold firm against this very subversive suggestion.

Mr. Olson: Mr. Chairman, this bill provides for an extension of the existing bank charters. Very briefly I want to take advantage of this opportunity to say to the Minister of Finance that we in this party appreciate the statement he made a few minutes ago respecting Bill C-102, the Bank Act that is before the House, which has not yet been passed and therefore makes this extension necessary.

While we agree with almost all of what he had to say respecting the way the monetary system operates in Canada today, we are in very serious disagreement with his conclusions about what would happen, and what some of the consequences might be of making certain of the changes we advocate.

The Minister took the trouble to prepare a very detailed statement in reply to a lot of the representations we made over the past few months. We appreciate this. It is very interesting because to my knowledge there have not been many ministers of finance who have taken our arguments seriously or replied to them in an objective way. We appre-

ciate the effort and the manner in which he responded to us.

His statement deserves vary careful scrutiny by the Members of this party and, I suggest, by Members in all parts of the Chamber, and we will answer those parts of it with which we do not agree when we go into further debate on Bill C-102.

We notice that the Minister agrees that it is necessary for the health of our economy that there should be an ever-increasing money supply and that this increase in the money supply should take place in direct proportion to the expansion of the economy. This is precisely the argument we have advanced over the years. We have also argued that part of this increase in the money supply should come from its actually being created by the Bank of Canada.

We note that during the last few hours there has been an additional acquisition of something like $75 million of Canada's national debt by the Bank of Canada. We agree with this, and we also agree with the Minister that there cannot be an irresponsible increase in the money supply, that this has got to be something that is based on sound judgment and in keeping with what the economic conditions of the day require.

We have also noted that during the last few days some $75 million worth of Canada's national debt was paid off from cash out of the Federal treasury, and an additional $75 million was acquired by the Bank of Canada. This means that $400 million worth of Canada bonds that are coming due are going to be replaced with only $250 million worth of bonds that will be re-issued to the financial institutions in the country. This is a desirable and important step, because the interest on that $150 million will no longer be required to be paid to the financial institutions that previously held this debt.

I want to say very clearly to the Minister that we do not believe we can have an irresponsible expansion of the money supply. It has to be in line with the expansion of the whole economic structure, but we think that gradually it will be possible for the Bank of Canada to acquire more and more of the public debt, so that eventually we may reach the stage where we pay the interest charges to an institution owned entirely by the Minister of Finance for and on behalf of the people of Canada.

I am not going to spend a lot of time at this stage answering in detail what the Minister said. We are going to study his statement carefully. Again I wish to say it is commendable for him to have taken the trouble to make such a clear and objective reply to the representations we have made over the past months and years.

• (8:40 p.m.)

Mr. Barnett: I do not rise for the purpose of continuing the discussion which was initiated by the hon. Member for Medicine Hat, but when I entered the Chamber a few moments ago I heard some references to a subversive suggestion which came from this corner of the Chamber. Well, I had a little conference with a couple of my hon. friends behind the curtains and as a result I think I can tell the Minister of Finance that the hon. Member for Nanaimo-Cowichan-The Islands might be prepared to consider favourably that suggestion with respect to carrying on the meetings of the committee, provided the committee could arrange to sit on Vancouver Island. Indeed, he went so far as to offer to provide some of the facilities which the committee might require. I thought the committee might be interested in that proposition. As a Member from an adjacent constituency I may say that if we could agree to those arrangements I would be happy to show some of the Members of that committee during the leisure hours some of the glories of Comox-Alberni.

Mr. Herridge: I was interested in the arguments advanced by the Members of the Social Credit Party and the Créditistes. I should like the Minister to explain to us what in his opinion is the difference between a provincial savings bank, as dealt with in this bill, and a provincial savings agency.

Mr. Gordon: About 125 years. That would be the simple way of explaining the difference. The Quebec Savings Banks were incorporated a long time ago, certainly over 100 years ago. They have been dealt with under this particular legislation ever since Confederation or thereabouts. The Treasury Branches of the Province of Alberta and the Ontario Savings Bank have been set up under provincial legislation, and are not covered by the Acts which are now before the committee.

Clause agreed to.

Clause 2 agreed to.

Title agreed to.

Bill reported.

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

Some hon. Members: By leave, now.

Mr. Gordon moved the third reading of the bill.

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

QUEBEC SAVINGS BANKS ACT

DECENNIAL REVISION AND EXTENSION OF POWERS

Hon. Walter L. Gordon (Minister of Finance) moved the second reading of Bill No. C-103, respecting Savings Banks in the Province of Quebec.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

WAYS AND MEANS

The House in Committee of Ways and Means, Mr. Lamoureux in the Chair.

INCOME TAX ACT

Resolved, that it is expedient to introduce a measure to amend the Income Tax Act and related provisions of the Federal-Provincial Fiscal Arrangements Act and to provide among other things:

1. That for the 1966 and subsequent taxation years the income tax payable by an individual be reduced by an amount equal to the lesser of 10 per cent of basic tax or $600 and for the 1965 taxation year by an amount equal to the lesser of 5 per cent of basic tax or $300.

2. That for the 1965 and subsequent taxation years a taxpayer may deduct in computing his taxable income an amount for the support of a person who was his niece or nephew and who during the year resided in Canada, was wholly dependant upon him for support, and was

(a) under 21 years of age,

(b) 21 years of age or over and dependant by reason of mental or physical infirmity, or

(c) 21 years of age or over and in full time attendance at a school or university,

if

(d) the mother of the niece or nephew was divorced or separated and not in receipt of alimony or similar payments, or

(e) the father of the niece or nephew was deceased or mentally or physically infirm,

not exceeding $300 if the person was a child qualified for family allowance and $550 if he was not so qualified.

3. That for the 1965 and subsequent taxation years a taxpayer may deduct in computing his taxable income an amount not exceeding $550 expended by him during the year for the support of a person who was his aunt or uncle and who during the year resided in Canada and was dependant upon him for support by reason of mental or physical infirmity.

4. That for the 1970 and subsequent taxation years the additional exemption of $500 now allowed to a taxpayer who has attained the age of 65 years be allowed only if the taxpayer has attained the age of 70 years and that for the taxation years 1966 to 1969 inclusive a taxpayer who has attained the age of 65 years but has not attained the age of 70 years be allowed the additional exemption of $500 only if he did not receive a pension under the Old Age Security Act in respect of any month in that year.

5. That for the 1965 and subsequent taxation years a taxpayer who deducts in computing his income from an office or employment

(a) annual dues to maintain membership in a trade union or to maintain membership in an association of public servants,

(b) annual dues retained from his remuneration pursuant to the provisions of a collective agreement and paid to a trade union or association, or

(c) annual professional membership dues the payment of which was necessary to maintain a professional status recognized by statute,

shall not by reason of such deduction be ineligible to deduct the standard deduction of $100 described in paragraph (ca) of subsection (1) of section 27 of the Act.

6. That for the 1966 and subsequent taxation years a person, the spouse of such person residing with him and previously resident in Canada, or any dependant child of such person, shall be deemed to have been resident in Canada throughout a taxation year if such person was at any time in the year performing services in a country other than Canada under a prescribed international development assistance program of the Government of Canada, and was resident in Canada during a part of the year preceding the commencement of such services.

7. That for the 1966 and subsequent taxation years a contribution made by a person under the Canada Pension Plan or under a provincial pension plan as defined in section 3 of the Canada Pension Plan may be deducted in computing the income of such person.

8. That for the 1965 and subsequent taxation years the limitation on the amount related to earned income that a taxpayer may deduct as a premium under a registered retirement savings plan be increased from 10 per cent of earned income to 20 per cent of earned income.

9. That for the 1965 and subsequent taxation years such part of any amount that would otherwise be included in computing income of a taxpayer as a retiring allowance be deductible if it is paid in the year, or within 60 days after the end of the year, as a contribution to a registered pension fund or plan, as a premium under a retirement savings plan, or to a trustee under a deferred profit sharing plan.

10. That there may be deducted in computing the income of a taxpayer an amount in respect of an outlay or expense made by the taxpayer in the 1965 and subsequent taxation years

(a) to a person with whom the taxpayer is dealing at arms length and who is the lessee of property owned by the taxpayer, to obtain the cancellation of a lease on such property,

(b) for landscaping property used by the taxpayer for the purpose of gaining or producing income,

(c) for clearing land or laying tile drainage for the purpose of carrying on a farming business,

(d) as or on account of the cost of making representations to a government, municipality or other public authority in connection with a business carried on by the taxpayer, including representations for the purpose of obtaining a licence, permit, franchise or trademark,

(e) as or on account of the cost incurred in investigating the suitability of a site for a building or other structure planned by the taxpayer for use in connection with a business carried on by him.

11. That for the 1965 and subsequent taxation years a corporation shall be deemed to be resident in Canada throughout a taxation year if

(a) it was incorporated in Canada before April 27, 1965 and was resident in Canada in its taxation year that included April 26, 1965 or in any subsequent on taxation year, or

(b) it was incorporated in Canada after April 26, 1965.

12. That with respect to payments received by a taxpayer after April 26, 1965, other than a payment made upon the death of an employee, the amount that a taxpayer may elect to have taxed under section 36 of the Act shall not exceed

(a) in the case of a single payment

(i) out of or pursuant to a superannuation or pension fund or plan, or

(ii) pursuant to deferred profit sharing plan, or

(iii) pursuant to an employee's profit sharing plan,

$1,500 times the number of years during which the employee, in respect of whom the payment was made, was a member of the plan, or

(b) in the case of

(i) a single payment upon retirement of an employee in recognition of long service, or

(ii) a payment or payments made by an employer to an employee or former employee upon or after retirement in respect of loss of office or employment

$1,000 times the number of years during which the employee, in respect of whom the payment was made, was an employee of the employer who made the payment.

13. That for taxation years commencing after April 26, 1965, a trust or estate (other than a trust or estate arising on death) that has income from a business carried on by it in Canada may not deduct in computing its income an amount paid or payable to a beneficiary who is

(a) a non-resident of Canada,

(b) a non-resident-owned investment corporation, or

(c) another trust or estate resident in Canada, unless that other trust or estate

(i) arose on a death, or

(ii) has been since April 26, 1965 a beneficiary of the trust or estate paying the amount and the trust or estate paying the amount has been carrying on the business since April 26, 1965,

and any amount paid or payable out of the income for the year of the first-mentioned trust or estate will continue to be included in the income of its beneficiary notwithstanding the fact that the first-mentioned trust or estate was not entitled to deduct the amount in computing its income.

14. That for the 1965 and subsequent taxation years the amount of income derived from a new mine that a corporation may exclude in computing its income shall be confined to income from the operation of the mine by the corporation.

15. That where a joint exploration corporation acquires after April 26, 1965 a right, licence or privilege to explore for, drill for or take petroleum, natural gas or other related hydrocarbons, the cost of the right, licence or privilege may not be renounced to a shareholder corporation.

16. That for the 1965 and subsequent taxation years an amount that a taxpayer may exclude from his income because it is consideration for a mining property acquired as the result of his efforts as a prospector, or as the result of efforts of a prospector who was employed or financially assisted by him, shall not include a share of profits, a royalty or a payment based on production.

17. That the Minister of National Revenue with the approval of the Governor in Council may on behalf of the Government of Canada enter into an agreement with the government of a province, under which one government undertakes to transfer to the other, in respect of income tax paid by an individual from whom deductions were made at source as though he were resident in a place other than the province in which he was resident on the last day of the year, a part of the amount deducted or withheld under section 47 of the Act or a similar provision of a provincial income tax act.

18. That in order to give effect to the provisions of paragraph 1 without reducing the amount of equalization payments to any province a consequential amendment be made to the Federal-Provincial Fiscal Arrangements Act to adjust the fractions set out therein in the definition of "standard individual income tax" used in the computation of equalization payments.

19. That a new section be added to the Act concerning expenditures of a taxpayer for advertising space in a non-Canadian newspaper or periodical having effect substantially as follows:

"12A (1) In computing income, no deduction shall be made in respect of an otherwise deductible outlay or expense of a taxpayer for advertising space in an issue of a non-Canadian newspaper or periodical dated after December 31, 1965 for an advertisement directed primarily to a market in Canada.

(2) An issue or edition of an issue of any newspaper or periodical that is edited in whole or in part in Canada and printed and published in Canada and that was not on April 26, 1965 a Canadian newspaper or periodical shall be deemed, for the purposes of subsection (1), not to be an issue of a non-Canadian newspaper or periodical if

(a) through the period of twelve months ending April 26, 1965 issues or editions of issues of that publication were being edited in whole or in part in Canada and printed and published in Canada at the usual intervals for issues of that publication and have since that date continued to be so edited, printed and published without interruption except for a reason other than the cessation of the business of publishing that publication; and

(b) in the case of a periodical, the periodical is similar, in content and in respect of the class of readers to whom it is directed, to the issues or editions of that periodical that were throughout the period of twelve months ending April 26, 1965 being edited in whole or in part in Canada and printed and published in Canada.

(3) Subsection (1) does not apply with respect to an advertisement in a special issue or edition of a newspaper that is edited in whole or in part and printed and published outside Canada if such special issue or edition is devoted to features or news related primarily to Canada and the publishers thereof publish such an issue or edition not more frequently than twice a year.

(4) Subsection (1) does not apply with respect to an advertisement in

(a) a catalogue. or

(b) any publication the principal function of which is the encouragement, promotion or development of the fine arts, letters, scholarship or religion.

(5) In this section,

(a) 'Canadian issue' means,

(i) in relation to a newspaper, an issue, including a special issue,

(A) the type of which, other than the type for advertisements or features, is set in Canada,

(B) the whole of which, exclusive of any comics supplement, is printed in Canada,

(C) that is edited in Canada by individuals resident in Canada, and

(D) that is published in Canada, and

(ii) in relation to a periodical, an issue, including a special issue,

(A) the type of which, other than the type for advertisements, is set in Canada,

(B) that is printed in Canada,

(C) that is edited in Canada by individuals resident in Canada, and

(D) that is published in Canada,

but does not include an issue of a periodical

(E) that is produced or published under a license granted by a person who produces or publishes issues of a periodical that are printed, edited or published outside Canada, or

(F) the contents of which, excluding advertisements, are substantially the same as the contents of an issue of a periodical, or the contents of one or more issues of one or more periodicals, that was or were printed, edited or published outside Canada;

(b) 'Canadian newspaper or periodical' means a newspaper or periodical the right to produce and publish issues of which belongs to or is vested in

(i) a Canadian citizen,

(ii) a partnership of which at least ¾ of the members are Canadian citizens and in which interests representing in value at least ¾ of the total value of the partnership property are owned by Canadian citizens,

(iii) an association or society of which at least ¾ of the members are Canadian citizens,

(iv) Her Majesty in right of Canada or a province, or a municipality in Canada, or

(v) a corporation

(A) that is incorporated under the laws of Canada or a province,

(B) of which the chairman or other presiding officer and at least ¾ of the directors or other similar officers are Canadian citizens, and

(C) of which, if it is a corporation having share capital, at least ¾ of the shares having full voting rights under all circumstances, and shares representing in the aggregate at least ¾ of the paid-up capital, are owned by Canadian citizens or by corporations other than corporations controlled directly or indirectly by citizens or subjects of a country other than Canada; and

(c) 'issue of a non-Canadian newspaper or periodical' means an issue that is not a Canadian issue of a Canadian newspaper or periodical."

Mr. Gordon: There are two main points I should like to cover in opening the debate on the resolution to amend the Income Tax Act. First I should like to deal with the cut in personal income taxes which is to become effective on July 1. Then I should like to discuss briefly the proposal dealing with periodicals and newspapers.

Perhaps the most important section of this resolution deals with the tax cut to become effective on July 1, 1965. Understandably, this has been very well received by the public. Also understandably, there have been those who have suggested the cut might have taken some other form. I should like to say something about this.

As I explained in the budget speech, the total amount of the cut took into account the economic consequences resulting from the change and also the condition of the Budget. I pointed out that there is no precise mathematical formula that can be applied—it is a matter of judgment. It is our judgment that taking all considerations into account, we should plan for a tax cut of $250 to $275 million for a full year and that this should begin half way through this calendar year, which will be on July 1.

Having decided upon the amount of the cut, we then had to decide where it should be applied. I would like to quote what I said about this in the budget speech as reported at page 440 of *Hansard*.

> In choosing the nature and form of the reduction, I have been influenced by the fact that we are expecting to make a thorough revision of our tax structure after receiving the report of the Royal Commission on Taxation and discussing the whole situation with the provinces. While we can count on none of our taxes being unaffected by such a revision, I have concluded that we should leave both the sales tax and the corporation income tax largely as they are pending this review.

In other words, we decided to apply the full amount of the cut to personal income taxes.

The Presidents of the Canadian Manufacturers Association and the Canadian Chamber of Commerce have expressed the view that cuts should have been made in corporation income taxes. However, neither of these gentlemen has indicated how in his opinion such a cut in corporation income taxes should be applied. The present rate of Federal tax after the abatement to take account of Provincial tax, is 12 per cent on the first $35,000 of taxable income, and 41 per cent on everything above that amount. The rate on the first $35,000 is a relatively low one by any comparative standard, even when the 9 per cent abatement for the provinces is included.

It is not clear if business spokesmen who have advocated immediate reduction of corporation income taxes have in mind a cut both in the rate on the first $35,000 of income, or only in the top rate of tax. We expect the Carter Commission will have a lot to say about the corporation income tax. And quite frankly, the Government did not wish to prejudge the case by taking action in advance of their report.

Moreover, it is well known that corporation profits, both before and after taxes, are

running at an all-time high. Corporation cash flows are also at an all-time high, thanks in large measure to the very generous provision for capital cost allowances provided for in the 1963 budget and extended in this recent budget. I mention these facts because they also have a bearing upon decisions in this field.

Some of those who favour a reduction in personal income taxes felt it should have taken another form. Mr. Gordon Sinclair, a well known broadcaster and an old friend of mine—he and I think we are about the only two people left who were not only born in Toronto but who have lived there ever since—advocated increasing the basic exemption to $2,000 for a single person and to $4,000 for married persons. The effect of this would have been to reduce federal and provincial revenues together, not by $250 million to $270 million but by $1,700 million. All I can say is that to have done this would have been highly irresponsible. I wrote to Mr. Gordon Sinclair about this and he was kind enough to read my letter over the air. I find that he has a very wide audience, judging from the comments that I received. He also wrote back and said that was fine, that I was entitled to my opinion but he was inclined to go at these things emotionally rather than statistically. That is his privilege, but I am not in that happy position when it comes to tax cuts.

• (8:50 p.m.)

I might point out that the present exemptions in Canada are considerably higher than those in either the United States or the United Kingdom. In the United States the basic exemption plus standard deductions for single persons is $200 less than it is in Canada, and for married persons it is $500 less. In the United Kingdom the basic exemption is $225 less than it is here for single persons, and $740 less for married persons. I put these figures on the record because I think some people have felt that the exemptions in Canada were less generous than in other countries, and this just is not the case.

The New Democratic Party proposed that personal income tax exemptions be raised by $500 for single persons and $1,000 for married persons, and in addition that the old age security payment should be increased to $100 a month.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Chairman, could I ask the Minister if he has read the amendment that I presented to the House, because I did not make any such proposal.

Mr. Gordon: Mr. Chairman, if my hon. friend will contain himself for about three minutes, I hope to deal with him.

Some hon. Members: Oh, oh.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Please don't do that.

Mr. Gordon: As my Parliamentary Secretary, the hon. Member for Brant-Haldimand (Mr. Pennell), pointed out on April 29, as reported at page 744 of *Hansard*, this would have cost some $1,150 million per annum. Under present conditions, if it were proposed that this huge sum should be added to the deficit it would clearly be inflationary and would result in a general round of higher prices.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Chairman, could the Minister tell me if somebody did make such a proposal?

Mr. Gordon: Mr. Chairman, if my hon. friend would only contain himself for just a minute or two, I will deal with that.

Mr. Cameron (Nanaimo-Cowichan-The Islands): I do not mind being misrepresented once, Mr. Chairman, but to be misrepresented twice in less than two minutes is a little too much.

The Chairman: Order, please. The Minister of Finance has the floor.

Mr. Gordon: It may be that the N.D.P. amendment was just badly worded. In an attempt to justify an untenable position, a spokesman for that party later suggested that if the words were taken literally, they meant the increase in the exemptions would only apply to the lowest bracket. According to this interpretation, a single man earning $1,500 would pay no tax because of the proposed increase in the exemption. But a single man earning $1,501 would not be entitled to any increased exemption. He would have to pay a federal tax of $51 plus a provincial tax of $9, as he does at present, or a total of $60. I cannot imagine anything more foolish than a result like this.

Some hon. Members: Hear, hear.

Mr. Gordon: The second man, having earned one extra dollar, would be $59 worse off than his next door neighbour whose earnings were slightly less than his.

Mr. Moreau: Explain that.

Mr. Gordon: I suggest that the efforts of my hon. friends to avoid a charge of irresponsibility have produced something which on the face of it appears to be extremely foolish.

Mr. MacEwan: Outside experts, I guess.

Mr. Gordon: The fact is that the form in which the proposed reduction in personal income tax is to be made was chosen for a number of reasons. We wanted to ensure that the reduction would confer the same benefit on people with similar incomes no matter where they resided in Canada, and that it would not disrupt the financial plans of the Provinces. This led us to the conclusion that the reduction should be in the form of a flat percentage of what is known as basic tax, rather than in the form of an increase in exemptions or a change in the rate schedule.

At present all the provinces impose a personal income tax, and in all provinces except Quebec the provincial tax is a percentage of the federal basic tax. Thus a decrease in the federal basic tax resulting from an increase in exemptions or a change in the rate schedule would have automatically reduced the amount of the provincial personal income taxes in all provinces except Quebec. It would also have automatically reduced the abatement allowed from the federal basic tax on acount of provincial tax. Because of this, a tax reduction of say $100 for a resident of a typical province other than Quebec would have turned out to be a federal tax cut of $76 and a provincial tax cut of $24. For a resident of Quebec, for whom the abatement would be larger under the opting-out arrangements, an intended reduction of $100 would have turned out to be a federal tax cut of only $53. There would have been no provincial tax cut, since the Province of Quebec levies its tax without reference to the federal tax.

It follows that a tax reduction in these forms—that is, an increase in the exemptions or a change in the rates—would have resulted in different amounts of reductions for taxpayers residing in different provinces but whose circumstances were otherwise the same. It would also have seriously disrupted the financial plans of the provinces.

Of course the nine provinces could, in such circumstances, have raised their rates to avoid a decrease in their personal income tax revenues, but this would have been difficult for them and especially difficult for those provinces that had introduced their budgets before the Federal Budget was presented. Similarly, the Province of Quebec could, at the cost of a considerable reduction in its revenues, have lowered its rates so that the income tax position of a resident of Quebec, taking both federal and provincial personal income taxes into acount, was the same as that of a resident of other provinces. We did not believe that federal action that would have necessitated such changes in every province could be justified when the method chosen was available to us. Under it, the whole of the tax reduction will be borne by the Federal Government, and under it the benefits to taxpayers all across Canada will be the same. I wanted this opportunity, Mr. Chairman, to make that explanation, especially to those who have had some misunderstanding as to the reason we proposed the cut in this way.

The second point that I would like to discuss at this stage is the section of the resolution which deals with periodicals and newspapers. I would like to review briefly the events which have led up to the measures which are designed to ensure that control of our periodicals and newspapers will be retained in the hands of Canadians. Hon. Members will recall that a Royal Commission was created by the previous Government to examine the position of Canadian periodicals. This was the O'Leary Commission, whose chairman is a respected Canadian editor known for his strong views on many subjects including, as one would expect, fiercely held convictions about the vital importance of maintaining freedom of the press.

• (9:00 p.m.)

The Commission, which reported in 1961, stressed the importance to the country of Canadian self-expression through Canadian ownership and control of periodicals. It recommended as a practical way of securing such control that those directing advertising to Canadian readers should use Canadian publications as a condition of the costs being recognized as a business expense for tax purposes.

The previous Government accepted this recommendation, though with the qualification that it should not apply to foreign owned periodicals already published in Canada; that is, to *Time* and *Reader's Digest*. That Goverment fell, however, before these proposals were approved by Parliament.

This Government, after giving the matter further consideration, decided that the measure proposed by our predecessors was a sound

one. This decision was announced in the Throne Speech of February, 1964. My recollection is that while the announcement in February, 1964, and the earlier announcement by the previous Government aroused some controversy, most of such controversy was centred on the exemption provided for *Time* and *Reader's Digest*. The principle of disallowing advertising costs as deductions for tax purposes was not challenged, as I remember, in the press or elsewhere.

In explaining the proposal in the House on February 20, 1964, the Prime Minister pointed out that the problem of Canadian ownership of periodicals applied also to other media of communications. In particular, he mentioned "signs that metropolitan newspapers in Canada may, before long, be in danger of coming under foreign ownership and control". The Prime Minister stated that the Government would give careful consideration to this problem.

Hon. Members will remember that the 1964 session was an extended one—to put it mildly—and we did not have time to deal with the resolution on periodicals. In the meantime, further consideration was given to the broader problem, especially to the question of ownership and control of Canadian newspapers. This included informal discussions with a number of newspaper publishers.

As a result of this further consideration and discussion, it was decided that the same principle which had been recommended by the Royal Commission and put forward first by the previous Government and then by this Government in the February, 1964, Throne Speech, should be applied to newspapers as well as periodicals.

As I said, this had not aroused opposition or suggestions that it posed a threat to the freedom of the press when it was to be applied to periodicals. It has been surprising, therefore, that this charge should be raised when the same principle is now to be applied to newspapers. It is difficult to accept the fact that a principle can be right and good, and widely accepted as such, when applied to one field of communications but not when it is applied to another.

The Government's proposal asserts no control whatever over newspapers or other publications. It does not alter in any way the complete freedom of businesses to advertise in any way they choose in existing publications or in any future publications owned by Canadians. It provides no precedent for any kind of Government interference in the complete freedom of the press.

The proposal does make it highly unlikely, however, that the ownership of Canadian newspapers will be transferred to foreigners. Some few people may not think it matters whether control of Canadian communications media is retained in Canadian hands. The Government believes this does matter, and the majority of newspaper publishers have indicated that they share this view.

Hon. Members will recall that in the early days of radio, following the report of the Aird Commission, approval was given to legislation providing that control of Canadian radio stations—and later television stations—must be held by Canadians. If this had not been done, it is safe to assert that many Canadian radio and television stations would now be controlled by absentee owners.

There are, of course, similar laws in the United States respecting the ownership of U.S. television and radio stations, as an ex-Canadian, Mr. Jack Kent Cooke discovered.

As I say, the majority of newspaper publishers have not objected to preventive measures being taken against the transfer of Canadian newspapers to non-residents. The controversy seems to arise over the timing and the method chosen to prevent this being done.

As to the timing, let me say the obvious. There is no point in locking the stable door after the horse has been stolen. Hon. Members will recall that last September I announced that legislation would be proposed in due course preventing the acquisition of any of our chartered banks by non-residents of Canada, and that this would be made retroactive to the time of the announcement; that was, to September, 1964. I was asked why it was necessary to make an announcement at that time when, as far as most people knew, no takeovers of Canadian banks were in contemplation. Shortly after making the announcement, however, I discovered that a foreign institution had planned to acquire a controlling interest in one of our principal Canadian banks. We would have been faced with a *fait accompli* if it had not been for my announcement.

The same thing could be true in the case of some Canadian newspapers. I do not think we would like it very much if we woke up one morning to find, for example, that control of the Toronto *Globe and Mail* had been acquired by certain United States interests who wished to exert a direct influence on

Canadian public policy. Nor do I think we would like it very much if we woke up one morning to find, for example, that control of *La Presse* had been acquired by certain European interests who wished to exert a direct influence on Canadian public policy. These are eventualities the Government believes we should guard against in time.

In essence, the objections boil down to the particular measure which is proposed to accomplish an objective with which most people agree. The fact is that no practical alternative has been found, despite careful thought and much discussion with the people concerned. In practical terms, we have the alternative of proceeding with the measure which is before the House or of dropping the question altogether. If we were to do the latter, and one or more of our more important newspapers or chains of newspapers were to fall into foreign hands, neither the Government nor Parliament could shirk responsibility for having allowed this to happen.

Let me say another word about the freedom of the press, or to put it in broader terms, the freedom of the communications media. First, measures which have prevented control of Canadian radio and television stations being acquired by non-residents have been generally accepted. Second, the present proposal with respect to Canadian periodicals has not been challenged, Third, clearly there is not and could not be any question of interfering with the press in so far as the dissemination of news and opinion is concerned. Fourth, the proposal interferes with one freedom and one freedom only. It means that a Canadian publisher wanting to sell his newspaper will have to accept the best bid he can get from other Canadians. The whole point is to establish a safeguard to prevent foreigners from outbidding Canadians in this field.

• (9:10 p.m.)

I can understand the objections of publishers who may wish to expand their operations to other countries. Obviously, if this same approach were adopted elsewhere, such expansion would not be possible unless the parties concerned were prepared to apply for citizenship in such other countries as was done by Mr. Jack Kent Cooke. But this is an objection which should be stated clearly for what it is: fear that businessmen or wealthy financiers may be discouraged from acquiring the communications media of other countries and, having done so, perhaps attempting to influence public opinion in those countries. That kind of objection should not be confused with freedom of the press.

Mr. Herridge: Quite right.

Mr. Gordon: I do believe, Mr. Speaker, that the discussion which has arisen over this issue has had its uses. The very proper concern of the press about its freedom has been vigorously stated. I cannot believe that after this discussion any Canadian Government at any time would ever contemplate any measure which could seriously be construed as interfering with the freedom of the press. I know that no Liberal Government would ever think of doing so. I am sure the same would be true of any Government composed of any of the other parties represented in this House.

Mr. Lambert: Mr. Chairman, in dealing with this resolution we are faced with quite a compendium of bits and pieces having to do with various sections of the Income Tax Act. Some of them are as usual hole pluggers, or perhaps it might be better to say "pluggers of holes". Then there is the particular section dealing with newspapers and periodicals on which the Minister has spoken for the last several minutes. It is not my intention tonight to deal with that latter aspect but rather with some of the other features of the resolution.

First of all, with regard to the income tax reduction I think personally that one is not being overly cynical if he says that this was devised and timed as part of a voting gimmick. Let me say why it seems to be a voting gimmick. When "10 per cent" is said quickly it sounds like a lot to people who are taxpayers, but it means nothing to non-taxpayers. It does not do anything for people not classed as taxpayers.

There have been other tax reductions in the past. In 1957 or 1958 the Minister's predesessor but one brought in a tax reduction which greatly increased the number of non-income taxpayers. I think that what happened was that the Minister had about $250 million to $275 million to play with and he said to himself, "How am I going to put that to the best use politically"?

Miss Jewett: Huh.

Mr. Lambert: It was straightforward political thinking. First of all, we know there were limitations in the case of some of the provinces, so far as the basic tax is concerned. I put it to the Minister and to the House that the tax proposal is discriminatory in a number of ways. First of all, as I said

it does nothing for the non-taxpayer of whom there are many in this country either by reason of limited income or because they have varying exemptions. I do not think the Minister of Fisheries will shake his head when by reason of exemptions a person becomes a non-taxpayer, and there are thousands in this category. Either by reason of the number of dependants or otherwise potential taxpayers become non-taxpayers. In other words, they are cleared by their exemptions. Ten per cent of nothing means nothing to such a person so he gets no gain.

For the person who pays a small amount of tax a 10 per cent reduction is a very minute amount. I am not going to go into the varying scales. These were adumbrated by my late colleague, the former Member for Digby-Annapolis-Kings, and also by others. References have been made to a cup of coffee a day and so on. But then there is a further category, and this is perhaps the main reason I consider this reduction political. Perhaps the hon. Member for Northumberland may not have thought about this.

I am thinking of those people whose incomes are above the level of incomes that will benefit from this reduction. In other words, on the average the limitation of $600 means that anyone with an income above $20,000 will not benefit. Some people will say that $20,000 is a lot of money and anyone with such an income is in the higher brackets in this country. But I put it to hon. Members that in so far as economic development and commercial impact are concerned taxpayers in this category are very important, because in the main most of those who earn over $20,000 are people who are perhaps a little more industrious.

Mr. Cameron (Nanaimo-Cowichan-The Islands): A little luckier.

Miss Jewett: Less than 1 per cent of the population.

Mr. Lambert: They are, shall we say, more energetic. Somebody says "a little luckier". I do not know that there are many people who are prepared to work 16 or 18 hours a day, who have considerable ingenuity—

Miss Jewett: The right father.

Mr. Lambert: —and have not inherited wealth but have been very industrious people. They are not limited to any part of the country and they are somewhat restricted in number. I am sure that the official thinking goes this way: There are a certain number of these people who are dyed in the wool Liberals, so no matter what we do they will still vote Liberal.

Some hon. Members: Hear, hear.

Mr. Lambert: I have said there is a proportion. Then an equal number are Conservative and this action will only reinforce them in voting Conservative. But the overall number is not large. Then there is a third segment comprised of people who may have voted Liberal but will now vote against the Liberals because of this action. However, politically speaking, their number is small. I am sure the political thinking is: What is their political impact in votes? An analysis shows that in numbers right across the country throughout the constituencies their impact is not very great.

Miss Jewett: How many are there between $10,000 and $20,000?

Mr. Lambert: There are more between $10,000 and $20,000 than there are over $20,000. But I would suggest this is an area of discrimination. It is not the only one, but it is an area of discrimination just as one might say that a progressive income tax is discriminatory. In other words, you just grin and bear it because you can bear it a little better if you are in a higher income bracket, even though your contribution is quite as much and in fact may be considerably more than the person whose income is somewhat less. The Minister indicated that it was not possible to do anything about corporation income tax, of which the Federal share is 12 per cent of incomes under $35,000 and 41 per cent on incomes above $35,000, because the provinces have a 9 per cent vested interest in corporation income taxes. He preferred to wait for the report of the tax structure committee.

• (9:20 p.m.)

Well, I do not care how you slice a loaf of bread, lengthways or crossways, it still comes out bread. I think the Minister would agree with me, as would the hon. member for Northumberland, that the majority of corporate income tax is passed on to the consumer. It is still John Q. Citizen who pays the tax. Now, as to whether that tax cut should be an incentive or not, I subscribe to the view that corporate income tax would have much more impact than personal income tax, in so far as stimulation of the economy is concerned. After all, if I may say so, part of the political thinking behind this tax cut was to partially soften the impact of the premium that will be paid under the Canada

Pension Plan. The Minister was quite frank about this. There will be up to $79, and perhaps $158.40 payable by the self-employed person, under the Canada Pension Plan starting in 1966. This provision will, therefore, go toward softening the impact of this compulsory levy under the Canada Pension Plan.

I am just wondering if there would not have been more effect, in dealing with the $250 million or $275 million—the Minister's advisers may be able to help us in this regard —if there is that much available as a result of the growth of the gross national product, if we were to straighten up our corporate income tax structure and get away from this wholly artificial division between small business and big business, under which you get this 21 per cent and 50 per cent differentiation. I think it is wholly artificial.

Mr. Gordon: Would my hon. friend permit a question?

Mr. Lambert: Yes.

Mr. Gordon: Is he recommending that this change should be made, that there should be this evening up? If so, does he think it should be done now or does he think we should wait for the Carter Commission report?

Mr. Lambert: I am asking the Minister to see whether, within this field, there is not an area in which to work. After all, if we look at the motivation for the stimulation of the economy through a tax cut, we find it would do the most good in the field of corporate income tax. Is the Minister reinforcing my contention that this had a great deal of political gimmickry—

Mr. Gordon: I thought I was asking the question, Mr. Chairman.

Mr. Lambert: All right, I am coming back to it. I will answer by asking a question.

Mr. Gordon: That is the trouble with you lawyers.

Mr. Lambert: If there is this $250 million or $275 million, I would have felt that an evening up of the two categories, with greater earnings withdrawn from a corporation in the shape of dividends, as is done in other jurisdictions, might help solve the problem of what I believe is an artificial distinction and would leave money—if the Minister will kindly bide with me—

Mr. Gordon: You intrigue me.

Mr. Lambert: This is not the first time I have made this suggestion. I made it last year, the year before, and the year before that. As a matter of fact, my colleagues used to wonder if I was ever going to get off it. No one has as yet satisfactorily answered this point. It seems to me fundamentally unsound to set at $35,000—it used to be $25,000 and earlier it was $20,000—the distinction between small businesses and what is not really big business, especially if you go just $5,000 over the $35,000.

After all the Minister and his colleague, the Minister of National Revenue, from the experience I had with the Department of National Revenue, went through the greatest torture to plug up holes in the administration of the Income Tax Act, in so far as related companies were concerned. Certain types of industries and certain types of operations lend themselves to proliferation of departments or small companies. For some time certain corporate taxpayers were really in clover because they were able to break down their operations into a whole series of small businesses. Then we came along, again with an artificial restriction, and attempted to eliminate the related companies. Every year, as a result of the ingenuity of the taxpayers, the tax officials must come along and try to plug other holes. In my opinion the administration of the Income Tax Act in this particular sector would be a great deal easier and we would not have the expense on the part of the taxpayer trying to devise ways and means of alleviating the tax load—certainly at 50 per cent the tax load is heavy on corporations—if my suggestion were followed. I may be ahead of the Carter Commission, but I still believe that if there were $250 million or $275 million available for the full 1964-65 taxation year, something could have been done in the field of corporate income tax which, from the point of view of stimulating and maintaining the growth of our economy, would have been preferable to a personal income tax cut.

Then, we come down to the next paragraph of the income tax resolution and we see changes made which make allowances for the support of nephews and nieces, not all nephews and nieces, but those who may be infirm in certain categories either mentally or physically or, if they are over 21 years of age and attending a full time course of study at school or university, provided the mother of the niece or nephew is divorced or separated and is not in receipt of alimony or a similar payment.

• (9:30 p.m.)

This may introduce a complication. If a separated mother receives alimony, and separate maintenance for her child, is it a lump sum? There is imprecision in the Act, and there is also the question if the father of the niece or nephew is deceased, or mentally or physically infirm.

This deals with a certain number of hardship cases, and I think generally Members will accept that there are always some of these fringe cases to which one feels one should be able to give relief, providing they do not cost too much money to the treasury. I can think of other categories which are equally deserving, but the numbers in them are too great and therefore they would be too costly to the treasury.

The fourth paragraph of the resolution deals with the famous amendment in the second half of the Canada Pension Plan, where a change was made in the old age security to those persons between 65 and 70 over the period until 1970, and the disallowance, as one became eligible for old age security, of the $500 allowance for being over age 65.

I must confess that on one occasion when I was commenting on this I said the Government was only giving something with the right hand and taking something back with the left hand, that the $500 not only covered the taxpayer but his or her spouse. I must confess I was temporarily in error and misled some people, and I must apologize for that. In any event this is part of phase 2 of the fourth version of the Canada Pension Plan, granting the old age security to persons over age 65.

So far as the fifth paragraph is concerned, this gives an extension of membership dues in either trade unions or professional societies, putting them outside of the $100 general allowance. In other words, full credit is being given for them.

Paragraph 6 deals with residence qualifications for persons in international service engaged in the development assistance programs of the Government of Canada. I dare say this is some inducement for persons engaging in this type of activity and it may also cover the Company of Young Canadians and people in it who may go abroad in the future.

So far as the seventh paragraph is concerned I would like to get a clarification from the Minister that any contributions made toward the Canada Pension Plan, or under a provincial pension plan, may be deducted in computing the income of the persons making them. Is this within the limitations of any pension plan contributions, such as the $1,500 ceiling? We need some clarification on this point so that we may tell our constituents whether the introduction of the Canada Pension Plan will now be caught by the ceiling on retirement savings plans. There is a limitation within the framework of the Income Tax Act with regard to these contractual obligations that a taxpayer may enter into. Is this contribution to the Canada Pension Plan going to be in addition to that? The Minister nods his head, so I will take that as his answer.

In paragraph 10 there are a number of, shall we say, exemptions of expenses that heretofore have always proven somewhat thorny. I do not know why they have been brought in this year, as there are any number of others that are quite as difficult to handle, and it would be interesting to get a rationale from the Minister for the picking out of the five subparagraphs in paragraph 10 of the resolution.

The first one that comes to my mind is that if a payment is made by a taxpayer to a person who is a lessee of a property to induce that person to cancel the lease, then the taxpayer may claim that amount as a deduction or as an expense against that year's income, provided of course the lessee and the taxpayer are dealing at arm's length.

Mr. Gordon: Which number?

Mr. Lambert: Number 10(a) on page 12 of the resolution. The first question that comes to my mind is why "dealing at arm's length"? Is this going to eliminate related companies? Is it also going to eliminate any personal relationship between the owner of the property, the taxpayer, and the lessee?

One example was quoted to me this way. A father has a shopping centre. One unit of the shopping centre he has leased to a son who is in independent business, and the other units are leased to strangers. The father is able to sell the shopping plaza, provided he is able to give vacancy. In other words, he must buy out the leases. The money that he has paid to the strangers he is able to claim as a deduction but the money he has paid to his son, who is in business independently, he cannot claim as a business expense, and to that extent I would say that this provision of dealing at arm's length is discriminatory and unrealistic, in the same way that I think there will be some difficulty in determining

the corporate relationships. What will be the criteria to determine whether two companies are at arm's length?

Also, what of the taxpayer who is a lessee and he buys off the term of his lease by a lump sum payment to his lessor? Is he not able to claim that? Surely to goodness the two positions should be treated the same way? For example, say I am renting premises under a long term lease and I have three years left, and because of expanding business conditions —I am sure the Minister would appreciate this—I feel I have got to go to bigger and better premises. Suppose I wish to buy out the balance of the term of the lease under which I hold the first premises, and I enter into an agreement with my landlord whereby in return for a lump sum payment I can bring the leasing agreement to a term. Certainly I should be able to claim that as a business expense. But I cannot do so under this provision.

• (9:40 p.m.)

There is a second paragraph dealing with landscaping property used by the taxpayer for the purpose of gaining or producing income. If I landscape a house in which I live I cannot get any allowance under this provision. But if I own the house across the street I can claim the landscaping as an expense.

Mr. Horner (Acadia): And move in yourself, the following year.

Mr. Lambert: And, of course, as the hon. Member for Acadia says, I can move in myself the following year.

Then a deduction may be claimed in respect of clearing land or laying tile drainage for the purpose of carrying on a farm business. I think there is a good deal which could be done, here. It all depends, of course, on what the interpretation of "clearing land" is to be. Paragraph (d) is one which may lead us into a wilderness. It says—

—as or on account of the cost of making representations to a Government, municipality or other public authority in connection with a business carried on by the taxpayer, including representations for the purpose of obtaining a licence, permit, franchise or trademark.

What limitations are there to be? Is there to be an element of reasonableness? If there is, here is another point at which discretion is introduced on the part of the Minister. Will a taxpayer be able to bring forward all his expenses incurred in connection with, say, making representations to the Government of Canada for the purpose of obtaining a licence or a permit even if his efforts are unsuccessful and the proposed business cannot function? Take the case of a group of businessmen who get together to form a broadcasting company and apply for a television licence. They may spend a good deal of money toward obtaining a television licence and in the end they may not be successful. The expenses would be those of the corporate body which, in many instances, would have no income. To whom would the allowance be granted in such a case? Would it be set against the personal incomes of the individuals in the company? I think we shall need to obtain clear answers on points such as these, because there is a great deal of uncertainty attached to the resolution as presently written. As to expenses, does it mean a man would have to stay at a second rate or third rate hotel—or could he go down to the Chateau in Ottawa and live there like a visiting potentate? Is the Minister going to say expenses must be reasonable and, if so, who is to determine what is reasonable? Is this, too, to be left to ministerial discretion? These are questions which must be asked.

The Deputy Chairman: I must interrupt the hon. Member to remind him that the time allotted to him has expired.

Does the committee give leave to the hon. gentleman to continue?

An hon. Member: Ten minutes.

Mr. Lambert: I will not take that long.

Then I think we shall need some clarification of paragraph (e)—

—as or on account of the cost incurred in investigating the suitability of a site for a building or other structure planned by the taxpayer for use in connection with a business carried on by him.

Would this permit a man operating a business in Vancouver to travel to Montreal, all his expenses being deductible. Suppose the man says: I was investigating a site for a building which I may use; I am thinking of branching out. I trust these are questions to which the Minister will give us concise answers.

As I said earlier, I do not wish to deal with this matter of newspapers and periodicals except to say this: With regard to the periodicals, we heard a great deal of complaint from the Canadian periodical press that they were being starved to death because of what they alleged was unfair competition by two United States giants which had established operations in Canada, and which for technical reasons were able to acquire their editorial content at a much lower price than Canadian concerns. These two giants, it was

said, were syphoning off the great bulk of the advertising revenue available to magazines and other periodicals in Canada.

Well, the proposals contained in this resolution will only enshrine this situation because the two magazines in question, *Time* and *Reader's Digest* are specifically exempted. This resolution puts down in black and white the situation which has existed for a considerable time. From time to time the periodical press has activated discussion on this subject; at other times it has laid low. What is the future of Canadian magazines? Either they have been able to extricate themselves from this situation which existed prior to the appointment of the Royal Commission on press and periodicals, or they have resigned themselves to it and are, nevertheless, continuing to live.

I hope they are finding a means whereby they can survive—and not only survive, but expand. I do not know what provisions here can help them at all. They are not complaining about competition from periodicals published and printed abroad; the chief difficulty lay with publications printed in Canada but enjoying certain advantages because their editorial content and other facilities were supplied by the parent organization. This situation is to continue. As I say, there will be further discussion in this regard.

• (9:50 p.m.)

I wish to thank the committee for having allowed me these few extra minutes. I will not abuse the generosity of hon. Members. As I indicated earlier, this budget resolution is composed of bits and pieces. There are items on which I have not commented, for example paragraph 13 which merely plugs loopholes. I should like to say something about item 15 which I think may discourage joint ventures by companies searching for oil and gas in the Western Provinces or even on the northern islands. I say this because it is no longer possible, as exploration goes further and further afield, for exploration to be carried out by an individual company. Even the largest one is now participating along with associates or competitors in their business in joint ventures to try to find a new field. Certainly under the regulations which apply in the Province of Alberta this is an eminently sound way of doing it, because if a new field is discovered and it is on only one Crown reserve, then the whole area may be parcelled out in leases and everbody gets a crack at it.

This certainly will contribute to the companies getting together, which is, again, a

[Mr. Lambert.]

sound point. But I am just wondering what the implications of paragraph 15 are going to be, because apparently the cost of acquiring the lease or licence cannot be passed back to the shareholder corporation, which frankly is the only one that is earning income; because the development syndicate or the development corporation that goes in to prove this particular well is not an income earner. I therefore rather suspect that what is going to happen is that the cost of acquiring leases which have been granted in previous years is going to be taken away this year under another form. We will discuss this further, Mr. Chairman, when the bill comes forward.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Chairman, having only five minutes at my disposal I shall just have to start to insert my knife in the ribs of the Minister of Finance and complete the evisceration at a later date. I may say that I was rather surprised that the Minister displayed such, shall I say disingenuousness, to give it no harder name, by repeating tonight the figures that he, I understand, provided his innocent and unfortunate Parliamentary Secretary who I am sorry to see is not in the House tonight, I am perfectly well aware that this is an honest misapprehension on his part. I suspect he had been misled by the Minister of Finance, who had not I am afraid at that time—in fact I am quite sure—read the amendment which was presented to the House on behalf of this party. In fact, Mr. Chairman, I recall meeting the Minister of Finance in the elevator and he was still hurling these ridiculous sums at me, and I pointed out that in fact there was another flaw in my amendment as it was written, and that anybody who earned $1,501, as he pointed out tonight, would have to pay on the $500 above $1,000.

However, tonight the Minister again produced these fantastic and astronomical figures which he provided for his unfortunate Parliamentary Secretary, and I am rather surprised that the Minister would stoop, again, to this disingenuousness instead of dealing with what was—and I admit it quite frankly —a shortcoming in my amendment; but a shortcoming made necessary by the fact that one cannot spell out all the consequences of action proposed in an amendment. What the Minister is telling us now is really this, that he is too incompetent to devise the graduation changes in the incomes just above the level of those whom I am proposing to remove altogether from the income tax

brackets. Many of us have suspected this, but what I find quite disturbing is the implication that not only is the Minister incompetent but that his officials, his advisers, his experts are also incompetent and are not able to make those minor adjustments in the income tax rates that would naturally, I would have thought—

Mr. Gordon: Mr. Chairman, I wonder if my hon. friend would permit a question?

Mr. Cameron (Nanaimo-Cowichan-The Islands): Yes, do. I am always hoping you will dig yourself in deeper. Let us have it.

Mr. Gordon: Is the hon. Member attempting now to say that he was not irresponsible and he was not even sloppy? Nobody can, surely, excuse him from one or other or both those charges.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Chairman, I am suggesting to the Minister that in an amendment—and perhaps if he had a little more experience in this House he would know this—presented in the middle of a debate in this House one does not spell out everything in detail.

Mr. Gordon: Mr. Chairman, I wonder if my hon. friend—

Mr. Cameron (Nanaimo-Cowichan-The Islands): Perhaps the Minister can wait until I get through.

Mr. Knowles: He can contain himself.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Yes, he can contain himself. He asked me to contain myself. I contained myself until this moment, and look what happens. I found the Minister disingenuously repeating figures which were based, as he knew quite well this evening even though he was unaware of it the first time he persuaded his Parliamentary Secretary to produce them, on a gross misreading of the implications of my amendment.

An hon. Member: You grossly misrepresented it to the public.

Mr. Cameron (Nanaimo-Cowichan-The Islands): I suggest that it should have been obvious to anyone that the proposal which I made, which was to remove certain people altogether from the Minister's tax rolls, would necessitate some minor adjustments in the graduated income tax above that level to avoid the particular disabilities that the Minister pointed out tonight. Here is what he is telling us, that we are stuck forever with this formula; that if we want to raise the income tax exemptions in this country, if we want to remove some other sections of the community from the Minister's tax rolls, we have to grant that exemption all the way up the scale. This is what he is telling us, in effect, this evening; that because you are going to eliminate certain people from the income tax rolls, therefore the result will be even more consideration for those in the higher income brackets.

I suggest to you, Sir, that this is either a revelation of incompetence on the part of the Minister or it is a revelation of the fact that he is not concerned with such matters as equity in the distribution of our income and the distribution of the burden of taxation for public services in this country.

May I call it ten o'clock, Mr. Chairman, and complete my evisceration of the Minister at a later date.

Progress reported.

BUSINESS OF THE HOUSE

Mr. MacNaught: Mr. Speaker, tomorrow we will continue with the discussion of the budget resolutions.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the House under Provisional Standing Order 39A deemed to have been moved.

TRANS-CANADA HIGHWAY—REQUESTED REMOVAL OF UNSATISFACTORY PORTION

Mr. J. J. Greene (Renfrew South): Mr. Speaker, I rise at this time to complain, in the brief time allotted to me, of the condition of Highway No. 17 immediately west of the City of Ottawa, which is designated as part of the Trans-Canada Highway and which I respectfully submit is a very long way from coming up to the standards which are generally accepted as satisfactory with regard to the Trans-Canada Highway. I may say that it causes me some considerable embarrassment, as a Member from that part of the country, to be reprimanded by my fellow Members from such generally reputed poor provinces as Nova Scotia and Newfoundland, when they complain to me that this highway is far from the calibre of the Trans-Canada highway that they enjoy in their provinces.

This matter has been drawn to my attention by resolutions from the elected representatives of many of the municipalities in the

constituency I have the honour to represent, namely the Town of Arnprior, the City of Renfrew, the Township of McNab, and the Township of Admaston. Also the Eastern Ontario Development Association has drawn this deplorable situation to my attention, and this prompted me to raise the matter in the House during the question period the other day, and to complain further here at this time.

• (10:00 p.m.)

I quite appreciate that highways generally are within the provincial field of responsibility, but I do suggest that when a highway is part of the Trans-Canada Highway, this Government, this House, and in particular the Department of Public Works cannot suggest that they do not have some responsibility for its condition.

There is one very heartening thought about the sad condition of the highway, or tortuous trail, which I think has been properly referred to as a goat trail. As a boy, among my hero-like movies was King of the Khyber Pass and, subsequently, The Lives of the Bengal Lancers, both motion pictures which were very popular in my day among young people. I understand that certain Hollywood people intend to make another movie of the Lives of the Bengal Lancers and, inasmuch as the roads in the Khyber Pass have been considerably improved since the 1930's, they feel that this stretch of No. 17 highway would be most adequate for the filming of the new version of the Lives of the Bengal Lancers. Therefore, there must be some modicum of benefit to the people in this regard. However, I think we would sooner have this part of the road brought up to the standard we expect for our Trans-Canada Highway.

Mind you, it is nothing new for the Ottawa Valley and, in particular, Eastern Ontario in general, to get the short end of the stick. As a matter of fact, when one talks about the short end of the stick, I suggest that in that part of the country we have not yet got the butt end of a good toothpick as our share in respect of matters such as roads, to which both the federal and provincial authorities contribute. In other areas we are used to being despoiled, just as Georgia was when Sherman marched through it. We have been despoiled of our rights to water resources as a result of the transmission of power to other locations instead of having industry come to the power source, as is the case in more enlightened provinces. We have, of course, the most expensive energy—electrical, petroleum and natural gas—of any part of the Province of Ontario, so we are used, as I say, to being shortchanged in many ways. We do expect, however, to be able to get out of this part of the country with our produce, and to have some easy access to markets in order that we may share somewhat in the general bountiful advantages of this great province.

We are aware of the great metropolitan City of Toronto which received $50 million in regard to the Gardiner expressway, and $50 million in respect of the subway. In Toronto these days they have reached the point where on top of their roads, they have superhighways, and on top of the superhighways they have super, superhighways, and beneath it all they have a subway. The people I represent do not mind contributing to this great development in the metropolitan City of Toronto, as it is a wonderful area and we are very proud of its progress. Judging by the representation it sends to this House the people of Toronto are very wise politically. However, we would like to share somewhat in the bounties of this great province and we feel we can better do so if this section of the trans-Canada Highway is brought up to standard, so that we might have access to the great metropolitan markets.

I do suggest that the Federal Government has considerable responsibility in this regard. I understand that in the first instance highway No. 17 was designated as a main artery of the Trans-Canada Highway, but subsequently for some mysterious reason the main artery was diverted through Lindsay. There was a very eminent gentleman in the Provincial Government at that time who came from the Municipality of Lindsay, hence the main branch of the Trans-Canada Highway went through Lindsay, and our section of the highway for political reasons was designated as a second branch of the Trans-Canada Highway. That designation carried with it little green signs with little green maple leaves; but apart from that, no construction was to be observed.

So I suggest that the maple leaf is now the proud symbol of this nation and that it should only designate highways which are in fact of Trans-Canada standards. In the short time allotted to me I have but this to say: May we bring this highway up to Trans-Canada standards. As a Federal Government may we insist that if it is to be a Trans-Canada Highway it be brought up to Trans-Canada standards. Otherwise the vigilantes of the Ottawa valley will have little choice but

to tear down those little green maple leaves, because we know it is not in fact a trans-Canada Highway.

Mr. G. Roy McWilliam (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, the remarks of the hon. Member for Renfrew South (Mr. Greene) were listened to with a great deal of interest and I am sure they will be noted. However, I am informed by the officials of the Department of Public Works that this matter does not come within the jurisdiction of that Department or of any other Department of the Federal Government.

The section of highway 17 to which the hon. Member refers is not part of the official Trans-Canada Highway for which the Federal Government shared any costs. The maple leaf signs on this section of highway No. 17 were placed there by the Provincial Department of Highways with the Province bearing the cost. The object of these signs, I am told, is to indicate a provincial northern route connecting with the official Trans-Canada Highway. The Department takes the position that repairs and improvements to this section of highway 17 are entirely a provincial matter as the Federal Government did not share in the cost of the highway.

Mr. Greene: Will the Parliamentary Secretary permit a question?

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

FORESTRY—REMOVAL OF DEPARTMENTAL LABORATORIES TO SAULT STE. MARIE

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I regret I have not got the capacity for understatement of the hon. Member for Renfrew South (Mr. Greene) to assist me in raising a matter about which I am rather irked. I see that the Parliamentary Secretary to the Minister of Agriculture is here to answer, I suppose, for the Minister of Forestry (Mr. Sauvé). It would have been too much for that great man to give us his presence this late in the evening. He is probably away in Quebec making the world safe for the Minister of Justice (Mr. Favreau).

The problem I want to touch on was raised in a question when I asked the Minister of Forestry if, when his estimates went before the appropriate committee of the House later this session, he would support a thorough investigation, including the calling of outside witnesses, with regard to the decision to put the regional forest research headquarters at Sault Ste. Marie rather than retain them at Richmond Hill or Maple where they are now. This particular issue may seem rather small, but I think this action is the most outrageous blow struck at forestry science and forestry research in a long time. It is indefensible; it is stupid.

The Minister's answer was no, he would not support the calling of outside witnesses. I am going to be on the committee and I am going to try to see they are called. In any event, as a member of that committee I hope to interrogate the Minister and his officials so as to reveal that this great hero of clean-up in politics has been as guilty of pork barrel politics and patronage as any minister I have ever heard of. I have a letter here from a Mrs. K. C. von Althen of Richmond Hill who is close to the foresters there. She says in part:

> While it may be too late to change the Minister's original decision, I sincerely believe that, for the benefit of the Department of Forestry, it should be pointed out in the House of Parliament that such a move is contrary to the best interests of future forest research in Ontario. In other words, if the old pork barrel approach is to be used, please say so and let the blame for future shortcoming be placed with the Minister rather than the practising scientists of the Department of Forestry.

• (10:10 p.m.)

Who was it that the Minister of Forestry could not say no to? Was it the Prime Minister, whose constituency is close to Sault Ste. Marie? Was it the hon. Member for Algoma West (Mr. Nixon), who has been here so long and so quietly? Was it the Attorney General of Ontario, Mr. Wishart, who is the Member for Sault Ste. Marie and seems to have convinced the Provincial Department of Lands and Forests it should take a completely negative attitude on this question and not say yea or nay to this move?

I wanted to turn to the Minister's original announcement on February 18, and I quote from the press release:

> "To establish our regional headquarters near the centre of major forest activity is, I feel, a sound decision," Mr. Sauvé said. "All the various factors were carefully weighed and we consulted with all those involved."

There are lies in that statement. Consultation was inadequate. Sault Ste. Marie is not the centre of forest activity in Ontario. It is quite apparent that the factors that were looked at were partisan politics and superior pressure, if you want to put it that way.

Mr. Deputy Speaker: Order; the hon. Member, I am sure, would expect the Chair to intervene when he says that a statement

made by a Minister is a lie. This, obviously, is unparliamentary. Perhaps the hon. Member has an explanation.

Mr. Fisher: Well, I will just say that they are misstatements of the truth, Mr. Speaker, because obviously Sault Ste. Marie is not in the centre of forest activity, and certainly not of research in Ontario. It became apparent as things developed after this announcement that a great many people were not consulted, including the forestry school at Toronto, the forestry school at Port Arthur, the professional foresters and almost everybody who had a professional interest in this. You cannot blame me, therefore, for suggesting that there are some misstatements in the Minister's approach.

Later on, in a speech on March 23 to the Canadian Forestry Association, the Minister said:

> In deciding on appropriate locations for our regional headquarters, we are guided by several important considerations, namely, the seat of Provincial forest authority—

That is in Toronto, not in Sault Ste. Marie, and Sault Ste. Marie is not even a regional headquarters.

> —the presence of universities—

There is not even a technical college established at Sault Ste. Marie.

> —and the proximity of forest industries.

Well, I cannot think of a more isolated part of Ontario, in a transportation sense, and one that has a smaller variety of corporations concerned with forest activities than the immediate Sault Ste. Marie area. Therefore, according to the Minister's own standards, the decision is wrong.

Later on, in this same speech, the Minister says:

> In Ontario, we were faced with a particularly difficult situation, and we reached the decision that our regional headquarters should be in Sault Ste. Marie, which has the advantage of being geographically near the centre of the province and close to the forest industry.

He is getting a little bit closer to the truth. Sault Ste. Marie is close to the geographical centre of the Province and it is close, in terms of hundreds of miles, to the forest industry. The main point is that most of the research, research scientists, laboratories, library facilities, forestry associations, corporation headquarters, provincial headquarters and all their staffs are in the Toronto region, particularly at Richmond Hill and Maple.

[Mr. Deputy Speaker.]

I do not want to say anything more, other than that this move is going to lead to the resignations and loss to Canada and to the Government service, of some of the best people we have managed to get in the forestry service. I put the responsibility upon the Minister. I do not want an answer from the Parliamentary Secretary to the Minister of Agriculture (Mr. Beer). I just want to put on the record a warning that this whole matter is going to be investigated in detail in the Estimates Committee when the Forestry Estimates come before us.

Mr. B. S. Beer (Parliamentary Secretary to Minister of Forestry): I wish to thank the hon. Member for bringing up this important matter. I am sure he will appreciate it if I bring to his attention the fact that I am not only Parliamentary Secretary to the Minister of Agriculture but also to the Minister of Forestry, and have a perfect right to answer this question on behalf of the Minister of Forestry.

I am of course grateful to the hon. Member for putting on the record the statement made by the Minister of Forestry (Mr. Sauve) on February 18. If the hon. Member had read my statement on March 4, in answer to a question put by the hon. Member for York North (Mr. Addison) he would have had much more information than he gave. On that occasion, on behalf of the Minister of Forestry, I stated that 87 per cent of the productive forests in Ontario are located in this general area and provide 93 per cent of the wood cut in the province.

Mr. Fisher: That is nonsense; misstatement.

Mr. Beer: I also stated that, in addition, 18 of the 27 pulp and paper mills in Ontario are located north of Lake Superior and Lake Huron.

I stated that present capital investment in land and buildings by the Department of Forestry is already extensive in the Sault Ste. Marie area. Total federal investment since 1950 amounted to $1,200,000. In addition the Federal Government has access to the insect laboratory which is owned by the province, with a capitalization of $950,000. Therefore we do have substantial investments in the Sault Ste. Marie area.

I also want to place on record that on May 12 the Minister of Forestry had a meeting with municipal officials and departmental

officials in Richmond Hill, and I have here in my hand a letter expressing appreciation for the courteous meeting which was held on that occasion, and for the understanding view which was taken by the Minister.

Then, to conclude my remarks, I refer to the answer which the Minister of Forestry gave on June 10, which said that there is no change in the announcement made on February 18. That places the whole matter clearly on the record and states the decision of the Minister of Forestry and the Government.

Mr. Fisher: Rotten, pork barrel record.

Motion agreed to and the House adjourned at 10.19 p.m.

APPENDIX "A"

COMMUNIQUÉ FOLLOWING VISIT BY PRIME MINISTER OF INDIA

PRESS RELEASE COMMUNIQUÉ

DEPARTMENT OF EXTERNAL AFFAIRS CANADA MINISTÈRE DES AFFAIRES EXTÉRIEURES

For Release Monday, June 14, 1965, at 08.00 hours E.D.S.T.

VISIT TO CANADA OF PRIME MINISTER SHASTRI

The Prime Minister of India, Mr. Lal Bahadur Shastri, paid an official visit to Canada June 10-14 at the invitation of the Canadian Government. During his stay in Canada the Prime Minister visited Ottawa and Niagara Falls and will spend June 14 in Montreal.

While in Ottawa, the Prime Minister of India visited the House of Commons and officially opened the Commonwealth Room in the Parliament Building. He laid a wreath at the War Memorial.

In Montreal, the Prime Minister of India will address a special convocation at McGill University at which an honorary degree will be conferred upon him. He will also call on the Mayor of Montreal at the City Hall.

The Prime Minister of India had discussions with Prime Minister Pearson, and the Secretary of State for External Affairs, the Hon. Paul Martin; with the Minister of Finance, the Hon. Walter Gordon; with the Minister of Trade and Commerce, the Hon. Mitchell Sharp; and with the Minister of Industry and Defence Production, the Hon. Charles M. Drury. The High Commissioner for Canada to India, the Hon. Roland Michener, and Canadian officials attended the discussions. The Prime Minister of India was assisted by the Indian High Commissioner to Canada, Mr. B. K. Acharya, Mr. L. K. Jha, Secretary to the Prime Minister, and Mr. R. Prasad, Joint Secretary to the Prime Minister.

In the course of their talks, the two Prime Ministers dealt with the wide range of relationships between India and Canada, with questions expected to arise at the forthcoming meeting of Commonwealth Heads of Government, and with the main international problems of the day. The talks disclosed understanding and respect for each other's point of view and a wide area of agreement on many world issues.

The two Prime Ministers expressed satisfaction with the friendship and cooperation which have at all times marked relations between India and Canada. They looked forward with confidence to the continuation of this warm relationship in the future.

Cooperation between the two countries extends to many fields, particularly the economic field. The Prime Minister of India expressed appreciation for the assistance extended by Canada to India under the Colombo Plan and for the cooperation between the two countries in promoting the economic development of India. The Prime Minister of Canada reiterated Canada's deep and continuing interest in the economic development of India and in the success of India's Five-year Plans.

Both Prime Ministers agreed on the urgent need to raise the standards of living of the peoples of developing countries. They recognized the responsibility of both the developed and developing countries to cooperate in this task and welcomed the establishment of the United Nations Conference on Trade and Development as an organization which could make a vital contribution toward the elimination of disparities in economic conditions through more rapid economic growth.

The two Prime Ministers re-affirmed their support for the United Nations and their desire to see the world organization develop into an effective instrument for the maintenance of international peace and security and for the promotion of understanding and co-operation among nations. The Prime Min-

isters noted that the present year marked the 20th anniversary of the United Nations and was being celebrated as International Co-operation Year. They hoped that it would usher in an era of increased United Nations activity and better international co-operation in the cause of world peace and prosperity.

They noted with concern and regret the difficulties that stood in the way of the functioning of the 19th Session of the General Assembly. They expressed their sincere hope that these difficulties would be overcome as a result of the discussions now going on in the Special Committee on Peacekeeping Operations and that the world body would emerge the stronger after the crisis.

It was also noted that both governments shared the desire to strengthen practical arrangements for United Nations peacekeeping. Both have been major participants in United Nations peacekeeping operations and continue to provide contingents of their armed forces for service in the United Nations Emergency Force in Gaza as they had done throughout the United Nations peacekeeping operations in the Congo. An Indian delegation participated in the discussions between military experts on the technical military aspects of United Nations peacekeeping which took place in Ottawa last November. The Prime Ministers agreed that, whatever the constitutional and other difficulties which stood in the way of collective responsibility for United Nations peacekeeping, it was imperative that a solution be found which would enable the United Nations to continue to fulfil this essential role in future.

The two Prime Ministers re-affirmed their support for the attainment of general and complete disarmament under effective international control. They discussed the great danger of proliferation of nuclear weapons and agreed that the 18-Nation Disarmament Committee should devote itself, as a matter of priority, to finding a solution to this problem. They called upon all states to abide by the spirit and provisions of the Treaty Banning Nuclear Weapons Tests in the Atmosphere, in Outer Space and Under Water. They emphasized the importance of taking early steps for the conclusion of a comprehensive Test Ban Treaty so as to cover underground tests as well.

The Prime Ministers expressed their deep regret and concern over the series of nuclear tests to which the People's Republic of China has devoted itself in defiance of a world opinion which strongly opposes the continuance of tests in any environment. These tests represent a setback to current efforts to achieve non-proliferation of nuclear weapons. The Prime Minister of Canada expressed particular satisfaction at India's decision not to use nuclear energy for other than peaceful purposes, despite India's technical capability to produce nuclear weapons.

They further expressed their satisfaction at their mutual association in the International Control Commissions in Indochina during the last eleven years. They recognized the difficulties in the functioning of the Commissions in the present circumstances.

While recognizing that it had not always been possible for Canadian and Indian views to coincide on every aspect of the consideration of the difficult problems arising before the Commissions, both Prime Ministers agreed that their mutual association in the Commissions had been useful, and re-affirmed their desire that their representatives in the Commissions should make every effort with a view to encouraging implementation of the Agreements, which it is the task of the Commission to supervise.

The Prime Ministers examined the situation in Vietnam and considered the measures open to them to try to bring peace to that country. They reviewed their efforts to try to interest the powers directly involved in a cease fire, in unconditional negotiations, and in greater international participation in and responsibility for bringing about and guaranteeing a cease fire and any agreement which might accompany or succeed it. They expressed their regret that lack of respect for the Cease Fire Agreement, as reported by the Commission in 1962, had led to the present higher level of hostilities. They were convinced that a purely military solution was neither practicable nor desirable.

They hoped that it might still be possible for the combatants to curtail hostilities or to initiate periods of cease fire which might become permanent; they also expressed the hope that their earlier proposals for negotiations without preconditions would still yield results. They agreed to work for a solution to the Vietnam problem which will enable the people of Vietnam to enjoy freedom and independence. Any settlement should be suitably guaranteed by the international community.

Both Prime Ministers expressed concern at the increasing tendency to use force for the settlement of disputes, and the Prime Min-

ister of Canada reiterated Canada's sympathy and support for India in her border conflict with China. He expressed the hope that the problem will be resolved peacefully and that China would agree to talks with India on the basis of the proposals of the six non-aligned countries formulated in Colombo in December 1962 which India had accepted.

The Prime Minister of India expressed his pleasure at visiting Canada and establishing contacts with Canadian leaders and people. He expressed deep appreciation of the warm hospitality extended to him and members of his party. He extended an invitation to the Prime Minister of Canada to visit India. The invitation was accepted with pleasure.

APPENDIX "B"

CORRECTED PROVISIONAL ORDERS TO CONTINUE IN EFFECT UNTIL END OF NEXT ENSUING SESSION

Ordered,—1. (a) That detailed examination of estimates, saving always the right of the Committee of Supply, be undertaken by Standing Committees and that not more than 30 days of the time of the House be allocated to the business of supply in each session. For the purpose of this order, the business of supply shall consist of main estimates; interim supply; and supplementary or additional estimates excepting supplementary or additional estimates introduced after the main estimates have been approved, and excepting always the final supplementary or additional estimates;

(b) That the number of supply motions be reduced from six to four; and

(c) That a Special Committee of the House, consisting of twenty-four members, to be designated later by the House, be instructed to prepare and to submit to the House forthwith the changes in Standing Orders consequential upon these orders, including any means of giving to the opposition an opportunity to select the departmental estimates to be discussed.

2. That the orders of this House under numbered paragraph 1, and the changes in Standing Orders consequential upon this Order, be continued in effect until the end of the next ensuing session, unless this House otherwise orders.

Ordered,—Standing Order 6

6. (1) At 6:00 o'clock p.m. on Wednesdays and Fridays and at 10:00 o'clock p.m. on Mondays, Tuesdays and Thursdays, unless provided otherwise in these Standing Orders, Mr. Speaker shall adjourn the House without question put until the next sitting day.

(2) A motion that the House continue to sit after the hour specified in Section (1) may be made at any time without notice. If any member objects to the motion, Mr. Speaker shall request those members who object to rise in their places and if ten or more members then rise, the question shall not be put on the motion. If no member objects or if fewer than ten members rise in their places, the motion shall be deemed to be carried. No debate or formal vote shall be held on such a motion to extend a sitting. During an extended sitting, as provided under the provisions of this Section, no Order shall be called for consideration unless such Order was under consideration prior to the normal hour of adjournment. An extended sitting under the provisions of this Section, unless a closing time has been specified, shall not be terminated except by the adoption of a motion to adjourn and Mr. Speaker shall not deem that a motion to adjourn the House has been made by virtue of the operation of any other Standing Order.

(3) If any member objects to the taking of a vote at any time between 1:00 o'clock and 2:30 o'clock p.m. or between 6:00 o'clock p.m. and 8:00 o'clock p.m., Mr. Speaker shall request those members who object to rise in their places and if five or more members rise, the taking of the vote shall be postponed. At 2:30 o'clock p.m. or at 8:00 o'clock p.m., as the case may be, Mr. Speaker shall interrupt the proceedings then before the House and shall put, or shall cause to be put, the question on any postponed vote. The House shall be deemed to have reverted to private members' business for such time as is necessary for the taking of any vote postponed from the time provided for private members' business.

(4) When it is provided in any Standing Order or in any order of the House that the business under consideration at the ordinary time of adjournment be forthwith disposed of or concluded. Mr. Speaker shall not adjourn the House until the specified proceedings be completed.

Standing Order 12

12 (1) Mr. Speaker shall preserve order and decorum, and shall decide questions of order. In explaining a point of order or practice, he shall state the standing order or authority applicable to the case. No debate shall be permitted on any such decision, nor shall any such decision be subject to an appeal to the House.

Standing Order 15

15 (3) Except as otherwise provided in these Standing Orders the order of business for

the consideration of the House, day-by-day, after the daily routine shall be as follows:

(Monday)

Questions.
Government Orders.
(*From six to seven o'clock p.m.—Private Members' Business*)
Notices of Motions.

(Tuesday)

Government Orders.
Questions.
(*From six to seven o'clock p.m.—Private Members' Business*)
Private bills.
Public bills.

(Wednesday)

Questions.
Notices of motions for the production of papers.
Government Orders.
(*From five to six o'clock p.m.—Private Members' Business*)
Notices of motions.
Public bills.

(Thursday)

Government orders.
Questions.
(*From six to seven o'clock p.m.—Private Members' Business*)

A. On the first and each alternate Thursday thereafter:

Notices of motions (papers).
Private bills.
Public bills.

B. On the second and each alternate Thursday thereafter:

Private bills.
Notices of motions (papers).

(Friday)

Government Orders.
Questions.
(*From five to six o'clock p.m.—Private Members' Business*)
Public bills.
Private bills.

(4) When a debate on a motion "That Mr. Speaker do now leave the Chair" for the House to go into Committee of Supply is in progress at 6:00 o'clock p.m. on either a Monday or a Tuesday, the order for private Members' Business on that day shall be suspended.

Standing Order 15-A

15-A (1) There shall be a Business Committee to which the leader of each party in the House from time to time by written notice to the Speaker may appoint one member.

(2) During routine proceedings a Minister of the Crown may propose that the question of allocation of time for any item of business, unless otherwise provided for, be referred to the Business Committee, and upon such proposal being made that question shall stand referred to the Committee.

(3) The Business Committee shall report back to the House on or before the third sitting day following such reference.

(4) If the Chairman of the Business Committee reports that the Committee has unanimously recommended an allocation of time for the item of business or stage thereof, a Minister of the Crown may without notice propose a motion, to be decided without debate or amendment, for concurrence in the report, and, if agreed to, the motion shall have the same effect as if it were an order of the House.

(5) If the Chairman of the Business Committee reports that the committee has been unable to reach a unanimous agreement or if the committee fails to report within the time specified by Section (3) of this Standing Order, a Minister of the Crown notwithstanding the provisions of Standing Order 41, may give notice of motion that at the next sitting of the House, provided that day is not a Wednesday, he will move that an order be made allocating the time for the item of business or stage thereof.

(6) A motion of which a Minister has given notice under Section (5) of this Standing Order shall be made during routine proceedings. Unless the debate on the motion has been previously concluded, Mr. Speaker shall at fifteen minutes before the expiry of the time provided for Government business in such sitting, interrupt the proceedings and forthwith put every question necessary to dispose of the main motion. A motion requesting allocation of time if agreed to shall have the same effect as if it were an order of the House.

(7) No motion made by a Minister under Sections (5) and (6) of this Standing Order shall provide for the allocation of a period of time less than two days for the second reading, two days for the committee stage, and one day for the third reading of any bill. For the purpose of this section, third

reading shall be deemed to have been considered for one day provided the order for third reading is called as the first item under Government Orders on a Monday, Tuesday, Thursday or Friday, and provided it is continued, if necessary, until the normal time of adjournment on any such day. Such an order having been called on any Monday, Tuesday, Thursday or Friday, it shall have precedence over all other business until the time of adjournment on that day, unless it is disposed of earlier. Under any other circumstances, a total of five hours shall be deemed to be the equivalent of one sitting day.

(8) During debate on any item of business or stage thereof for which an allocation of time has been made under this Standing Order, if an amendment is proposed which in the opinion of Mr. Speaker raises any issue for which in the opinion of Mr. Speaker there has not been or otherwise will not be an adequate opportunity for discussion, Mr. Speaker may announce an extension of not more than two days to the allocated period of time.

(9) When a debate on third reading of a bill is under a time allocation order, under this Standing Order, Mr. Speaker shall have the authority to extend the sitting of the final day under such allocation order for a period not to exceed four hours, provided he has received written notice, given at least one hour prior to the normal time of adjournment, from any member or members indicating their desire to speak and provided such member or members have not spoken and there is no opportunity for such member or members to speak prior to the normal time of adjournment. Any speech made in such extended time of sitting, unless it is being made by the representative of a party which had not had a speaker during the normal sitting hours, shall be limited to twenty minutes. No member shall be allowed to speak during such an extended sitting unless he has given notice as herein provided, and no member speaking during an extended sitting shall move any amendment or sub-amendment. At the request of any five members, any vote or division called for during an extended sitting shall be postponed until the next sitting day, and shall be taken as the first item under Government Orders on the said next sitting day without any further debate.

(10) The term "allocation of time", wherever used in this Standing Order, may include the allotting of time to any item of business, to any stage thereof, or to any part thereof, and may include the fixing of limits for the length of speeches.

(2) That the proposed Standing Order 15-A be continued in effect until the end of the next ensuing session, unless this House otherwise orders.

Standing Order 18

18 (2) Except as provided in Standing Orders 43 and 56, Government Orders may be called in such sequence as the Government may think fit.

Standing Order 31

31. (2) When the business of Private Members is being considered, no member shall speak for more than twenty minutes at a time.

Standing Order 39

39. (5) Before the Orders of the Day are proceeded with, questions on matters of urgency may be addressed orally to Ministers of the Crown, provided however that if in the opinion of Mr. Speaker a question is not urgent, he may direct that it be placed on the Order Paper, provided also that the time allowed for a question period prior to the calling of the Orders of the Day shall not exceed thirty minutes, except on Mondays when the time allowed for a question period prior to the calling of Orders of the Day shall not exceed one hour.

A member who is not satisfied with the answer given to a question asked on any day at this stage, or a member who has been told by Mr. Speaker that his question is not urgent, may give notice that he intends to raise the subject-matter of his question on the adjournment of the House. The notice referred to herein, whether or not it is given orally during the question period before the Orders of the Day must be given in writing to Mr. Speaker not later than 5.00 o'clock p.m. the same day.

Standing Order 41

41-A. Unless notice of motion has been given under Standing Order 41, any member proposing to raise a question of privilege other than one arising out of proceedings in the Chamber during the course of a sitting shall give to the Speaker a written statement of the question at least one hour prior to raising the question in the House.

Standing Order 43

43. (2) When the debate on any motion made under Standing Order 15 (2) is adjourned or interrupted the order for resump-

tion of the same shall be transferred to and considered as the first Order under Government Orders.

Standing Order 44

44. When a questionn is under debate no motion is received unless to amend it; to postpone it to a day certain; for the previous question; for reading the orders of the day; for proceeding to another order; to adjourn the debate; to extend the sitting of the House; or for the adjournment of the House.

Standing Order 59

59. (4) The Chairman shall maintain order in the Committees of the Whole House; deciding all questions of order subject to an appeal to Mr. Speaker; but disorder in a committee can only be censured by the House, on receiving a report thereof. No debate shall be permitted on any decision.

Standing Order 65

65 (1) At the commencement of each session, a special committee, consisting of seven members, shall be appointed, whose duty it shall be to prepare and report, within ten sitting days after its appointment, lists of members to compose the following standing committees of the House:

(*a*) on Agriculture, Forestry, and Rural Development to consist of 45 members;
(*b*) on Broadcasting, Films and Assistance to the Arts, to consist of 24 members;
(*c*) on Crown Corporations, to consist of 24 members;
(*d*) on External Affairs, to consist of 24 members;
(*e*) on Finance, Trade and Economic Affairs, to consist of 24 members;
(*f*) on Fisheries, to consist of 24 members;
(*g*) on Health and Welfare, to consist of 24 members;
(*h*) on Housing, Urban Development and Public Works, to consist of 24 members;
(*i*) on Indian Affairs, Human Rights and Citizenship and Immigration, to consist of 24 members;
(*j*) on Industry, Research and Energy Development, to consist of 24 members;
(*k*) on Justice and Legal Affairs, to consist of 24 members;
(*l*) on Labour and Employment, to consist of 24 members;
(*m*) on Miscellaneous Estimates, to consist of 24 members;
(*n*) on Miscellaneous Private Bills, to consist of 24 members;
(*o*) on National Defence, to consist of 24 members;
(*p*) on Northern Affairs and National Resources, to consist of 24 members;
(*q*) on Privileges and Elections, to consist of 24 members;
(*r*) on Public Accounts, to consist of 24 members;
(*s*) on Standing Orders, to consist of 24 members;
(*t*) on Transport and Communications, to consist of 24 members; and
(*u*) on Veterans Affairs, to consist of 24 members.

(2) The Special Committee shall also prepare and report with all convenient speed, lists of members to compose the following standing committees:

On Printing, to act as members on the part of this House on the Joint Committee of both Houses on the subject of the printing of Parliament, to consist of 23 members;

On the Library of Parliament, so far as the interests of this House are concerned, and to act as members of the Joint Committee of both Houses to consist of 21 members;

Provided that a sufficient number of members of joint committees shall be appointed so as to keep the same proportion in such committees as between the memberships of the House of Commons and Senate.

(3) A majority of the members of a standing committee shall constitute a quorum unless the House otherwise orders;

Provided that, in the case of a joint committee, the number of members constituting a quorum shall be such as the House of Commons acting in consultation with the Senate may determine.

(4) The Standing Committees shall be severally empowered to examine and enquire into all such matters and things as may be referred to them by the House; to report from time to time their observations and opinions thereon; to send for persons, papers and records; and to print, from day to day, such papers and evidence as may be ordered by them, and Standing Order 66 shall not apply in relation thereto.

(5) Any member of the House of Commons who is not a member of a standing committee, may unless the House or the standing committee otherwise orders, take part in the deliberations of the standing committee, but shall not vote or move any motion or any amendment or be counted in the quorum.

Standing Order 68A

68-A. In any standing or special committee of the House questions of order shall be decided by the chairman, subject only to an appeal to the committee.

Standing Order 99

99. No Bill for the incorporation of a railway or canal company, or for authorizing the construction of branch lines or extensions of existing lines of railways or of canals, or for changing the route of the railway or of the canal of any company already incorporated, shall be considered by the Committee on Transport and Communications, until there has been filed with the committee, at least one week before the consideration of the bill, a map or plan drawn upon a scale of not less than half an inch to the mile, showing the location upon which it is intended to construct the proposed work, and showing also the lines of existing or authorized works of a similar character within, or in any way affecting the district, or any part thereof, which the proposed work is intended to serve; and such map or plan shall be signed by the engineer or other person making the same.

Standing Order 105

105. Every private bill, when read a second time, is referred to one of the standing committees as follows: bills relating to banks, insurance, trade and commerce and to trust and loan companies, to the Committee on Finance, Trade and Economic Affairs; bills relating to railways, canals, telegraphs, canal and railway bridges, to the Committee on Transport and Communications; the bills not coming under these classes, to the Committee on Miscellaneous Private Bills, and all petitions for or against the bills are considered as referred to such committee.

That the said amendments to the Standing Orders be continued in effect until the end of the next ensuing session unless this House otherwise orders.

HOUSE OF COMMONS

Tuesday, June 15, 1965

The House met at 2.30 p.m.

EXTERNAL AFFAIRS

FIRST REPORT OF STANDING COMMITTEE

Mr. John R. Matheson (Leeds) presented the first report of the Standing Committee on External Affairs, and asked for unanimous consent to move that the report be concurred in.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, for a special reason, and since another committee is also supposed to submit a report, we should like to have the two-day notice as required by standing orders, so that the report may be studied in forty-eight hours.

[*English*]

Mr. Deputy Speaker: Since there is not unanimous consent the motion may not be moved at this point.

[*Translation*]

Allow me to suggest to the hon. member for Lapointe that it might be preferable for him to raise his objection normally, that is before the Speaker reads the motion to the house.

Mr. Grégoire: Mr. Speaker, if I recall correctly, yesterday I attempted to raise my objection before you read the motion but, at that time, you called me to order; you pointed out that I could not raise it because you had not read the motion. That is what I did today.

[*English*]

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

BROADCASTING

STATEMENT RESPECTING COLOUR TELEVISION SERVICE

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, I would like to make a statement to the House on the subject of colour television. Hon. Members know that this is a matter of growing importance and concern to Canadians in view of the rapid development of colour transmissions in the United States.

There is now clear evidence that an important part of the combined total output of the three largest American broadcasting networks will henceforth be in colour, and the rapid rise of colour set acquisitions in the United States indicates that a definite shift has taken place in that country from black and white to colour television.

Better than 50 per cent of Canadian homes with television sets are within reach of direct television signals from the United States, so that a situation is rapidly developing in Canada not unlike that of 1951-52, just prior to the commencement of Canadian television, when a large audience developed in Canada for direct American television broadcasts.

The Government has asked the Committee on Broadcasting to examine this matter and report on the situation. I reported to the House last week that the conclusions of the Committee on Broadcasting, because of the complexities of the study, cannot be available until late in the summer. I regret this, but I repeat that the subject matter of the study is indeed important and complex so that the delays were perhaps to be expected. However, the Government now finds it necessary to make a clear statement on colour television in advance of the Broadcast Committee report.

There are several reasons for this. First, it is necessary to give guidance to the Canadian electronics industry and to the broadcasters in Canada on the technical standards which will be adopted. Second, it is necessary to announce a firm commencement date for colour television in Canada so the telecommunications and broadcasting industries can work together on their plans. Third, it is necessary to authorize the Canadian Broadcasting Corporation to instal colour television equipment in the facilities which will be made available for the various countries participating in Expo '67.

The advice given to the Government by the broadcasters and the electronics industry is that up to 18 months notice must be given in advance of the commencement of colour television service so the complex engineering work and the various facilities installations can be completed.

Colour Television Service

The Government has decided that the transmission of colour programs from Expo in 1967 is a necessity since three or four other countries have already indicated their intention and desire to make such colour transmissions, notably the United States, Japan, Great Britain and possibly France. There may be others also since many other countries seem now to be planning for colour television within the next two years.

If there is to be a colour television service in Canada on April 1, 1967 it will be seen that the time for decision is upon us. Both the Canadian Broadcasting Corporation and the private broadcasters must be given the same advance notice and permission to proceed.

We are advised by the Committee on Broadcasting that they will recommend the commencement of colour television in Canada in 1967. They will also recommend proceeding with caution, since the implementation of colour will be a costly addition to the broadcasting budget in Canada, but that it is inevitable because of the United States colour programs.

It will, of course, be necessary for the Government to consider the cost factor very carefully, and to ensure that higher priorities, such as the extension of broadcast coverage and the necessity for improved Canadian programming, are not lost sight of.

In conclusion therefore, Mr. Speaker, I am announcing the intention of the Government, through my colleague the Minister of Transport, to prescribe the colour television standards to be applied in Canada. I am announcing also the willingness of the Government to permit the immediate application by broadcasters, under the Radio Act, for licenses for colour transmissions to commence not earlier than January 1, 1967. Finally, I am announcing the intention of the Government to authorize the C.B.C. to proceed with the necessary contractual arrangement for the installation of colour television equipment at Expo' 67 and, since the C.B.C. national English and French networks must carry these signals, the preparation of the necessary alterations to the transmitters and network facilities of the C.B.C. for this purpose. These arrangements are, of course, subject to the approval of further funds by Parliament for this purpose.

The further plans of the C.B.C. for colour should await the Broadcasting Committee report, and as I have already stated the Government will study carefully the whole question of broadcasting priorities before making further recommendations to the House.

[Mr. Lamontagne.]

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I think in this case the Government has adopted a most unusual way of making a decision in respect of something of paramount importance to Canada and Canadians. We have endeavoured over and over again to bring together the House committee on broadcasting to discuss this and other matters connected with broadcasting, but without success. In every case when the need for expanding the present facilities in those areas which are now denied television has been pointed out the answer has been that nothing can be done in that connection until the Fowler Committee reports. On several occasions the hon. Member for Churchill has brought before the Government the question of the areas he represents, only to be met by a stone wall,—with statements that no action can be taken until the advisory committee makes its report.

Now suddenly the Government finds itself announcing policy with regard to broadcasting and, in particular, with regard to colour broadcasting, because of Expo '67. It is most laudable to have all the facilities available. After all we are to have a $10 million broadcasting building, and there has to be something to broadcast from the exhibition. This, apparently, is a step taken to justify the expenditure of the $10 million which, to my way of thinking, was a completely unnecessary and wasteful expenditure. I think the time has come to look into the expenditures of Expo '67 in so far as federal responsibility is concerned.

To return to the question of colour television, certainly this is a step all of us have looked forward to, but the manner in which the Government has gone about it indicates the haphazard thinking of those who sit opposite. A few weeks ago nothing could be done until the committee had reported. Now the committee has been communicated with to find out what its recommendation will be before they make it. Did you ever hear of a proposition like that? Why can we not find out what are the other recommendations the committee intends to make? Why the unearthly haste in this regard? Necessary as colour broadcasting is in the light of the advances which are taking place, the explanation given by the Minister simply indicates that this is another step in the way of Canada's policy being determined by what is necessary for Expo '67.

It seems to me strange to anticipate what the committee will do in advance of the report, when all over this country there are areas that are without ordinary television, and when advances in new colour television technology and broadcasting are apparently taking place in the United States. This is just another example of the kind of evasion this Government adopts toward the Parliament of Canada.

We have asked for the House committee on broadcasting to be convened, but we have been met by arrogant indifference and cavalier disregard for the rights of Parliament, the explanation being simply that the Government cannot do this because it has set up a group of individuals outside of Parliament and must wait for their recommendations. We now are asked to accept this kind of policy placed before us haphazardly with complete disregard for the rights of Parliament.

I welcome any action that may be taken in respect of colour television in Canada, but at the same time I say that the manner of going about this indicates the uncertainty with which this Government faces the problems of the nation.

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, the Leader of the Official Opposition might have mentioned another point about the Committee on Broadcasting which I think is even more bizarre, and that is that one of the key members of that trio is the Minster's own Deputy Minister. We have the very odd situation now of a committee recommending policy to the Government, one of whose members is the Minister's main adviser. This is certainly one of the most intriguing approaches to Government policy matters that I have encountered.

I mention this point because it just seems stupid that such major decisions affecting expenditures by the Canadian Broadcasting Corporation on such a scale are revealed to us in this way without any preliminaries at all. I wonder what kind of a committee this Committee on Broadcasting really is, in view of the fact that it has been unable to produce a report up to this time. What will be the situation if the report is projected into the future and we only have a partial tip-off?

I think it is time we knew just what duties the three members of the Broadcasting Committee are carrying out in addition to their committee work. Is Mr. Fowler still doing a considerable amount of work for the Canadian Pulp and Paper Association? Is Mr. Lalonde still active in his legal practice, for instance, in connection with the Royal Commission on Pilotage? Is Mr. Steele, the Deputy Minister, still trying to carry a full load of departmental duties? It seems to me these are questions that need to be answered.

The Minister, I suppose anticipating a certain amount of criticism, did drag in two points that are objectionable in connection with this plan. He mentioned that the policy on the extension of television services is still incomplete. The Government has been asked about this for several years, and the C.B.C. gave a figure of $20 million in respect of the capital investment necessary to complete this program. In the meantime we are to get all this fancy stuff for Expo '67. We also have that wonderful radio station in Toronto broadcasting in French to no one or almost no one. We have also been told about the future plans for expansion all across the country—

Some hon. Members: Shame.

Mr. Fisher: My hon. friends cry "Shame". I have no objection to broadcasting of this kind, but I think there should be an audience before these expenditures are made.

The point I really want to make in relation to this announcement is that the Minister has opened up almost a Pandora's box of expenditures by the C.B.C. in preparation, yet we have not even received an undertaking from the Minister that the estimates of the Canadian Broadcasting Corporation will be placed before the committee at an early date. It just seems to me that the whole approach reflects inadequate planning.

The last point I want to make is that there is no question in my mind but that the introduction of colour television in this country will be popular. In this sense I welcome the announcement of the date and also the idea of our manufacturers being able to enter into the production of sets knowing a market is ahead of them. This will enable them to bring down the cost of such sets, which at the present time is very high.

Having said that, it certainly does not excuse the way the Committee on Broadcasting has been allowed to dawdle along in view of the carte blanche which has been given the C.B.C. in terms of expenditures on which we have no check or projection. All we have is this interesting announcement.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I do not think anyone is going to object to the prospect of having colour television in Canada. After all, countries like

Japan have had several colour television networks for a number of years. We at least ought to be moving into this area by the time of our centennial. Therefore we approve the announcement from that standpoint.

However, I must join with those who have already spoken in criticizing the method by which this decision has been made. Surely the announcement is extremely unusual. How is it that other important matters involving broadcasting must wait until the Fowler Commission report is in, yet this particular aspect of broadcasting can move ahead without any question at all?

Another very important matter in this regard is this. How is it that we in this House are committed to the expenditure of millions of dollars to bring about colour television without even having had the privilege of considering the subject in committee? Therefore we must join in the protests which have been made in view of the fact that apparently this is not the normal procedure. I ask what is the reason behind this action.

Another interesting thing is that only yesterday it was announced by the C.B.C. that there would be a director of overseas and foreign relations. I would ask what that means. Does it mean we are going to step up our program of foreign broadcasting? Does it mean we will use some of the excellent programs which are available? Does it means still more expenditure without consultation with this House through a committee on broadcasting? Surely this whole matter should have been referred to a committee on broadcasting if it could not wait until the Fowler Commission report was presented. I think there are real grounds for protest in the strongest way of this very unusual action which has been announced today.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I would be the last to criticize the statement made by the Secretary of State (Mr. Lamontagne) to the effect that Canada will at long last have colour television. On the contrary, notwithstanding the manner in which he made that statement, I believe that he deserves congratulations. This is an era of progress, and in the field of television as well as in other areas Canada should join modern times and have colour television. That is why I am happy to congratulate the Secretary of State for the announcement he just made today, and I hope that this will be an unprecedented success.

[Mr. Thompson.]

Mr. Speaker, the few words which the right hon. Leader of the Opposition (Mr. Diefenbaker) said on this matter rather annoyed me. I would point out that when the Leader of the Opposition speaks, his voice seems to falter and we cannot very well understand what he says. Perhaps the microphones need adjustment or his voice may be weakening but, in any case, we can hardly hear him. On the other hand, I have noticed one thing: the Leader of the Opposition never misses an opportunity of speaking against the 1967 Worlds Fair because it is being held in the province of Quebec; he never misses an opportunity of voicing his anti-Quebec feelings.

[*English*]

Mr. Diefenbaker: Mr. Speaker, there is no need for the hon. gentleman to prove his lack of a brain after making a statement like that. It is entirely false and he knows it.

[*Translation*]

Mr. Deputy Speaker: The hon. member for Lapointe knows that at this stage of the proceedings he must confine his remarks to the substance of the Secretary of State's announcement on motions.

Mr. Grégoire: Mr. Speaker, I would like to confine myself within the limits allowed the Leader of the Opposition. He deemed it advisable to criticize this decision because it favoured Expo '67. Now, I fail to see why the Leader of the Opposition takes this opportunity to criticize Expo '67. Should he not try to help make Expo '67 an outstanding success instead of provoking anti-Quebec feelings? We are shocked by such an attitude.

I heard the hon. member for Port Arthur (Mr. Fisher) say that the Toronto French language radio station was broadcasting for no one. However, in the Quebec City area, there are fewer English Canadians than there are French Canadians in the city of Toronto and we have no objections—

Mr. Deputy Speaker: Order. I would ask the hon. member for Lapointe to limit his remarks to the substance of the announcement made by the Secretary of State.

He is not allowed at this time to deal with the Leader of the Opposition's comments. He must limit his remarks to the announcement made by the minister himself.

Mr. Grégoire: Mr. Speaker, I am going over exactly the same course allowed hon. members who spoke before me. The French language radio station in Toronto was mentioned. About that matter I wish to say that

if there are English language radio stations in the province of Quebec, we are happy—

Some hon. Members: Order.

Mr. Grégoire: I fail to see why anyone should attack the French language radio station in Toronto as the hon. member for Port Arthur just did. It is words like these which create unfriendliness between the two nations.

Mr. Deputy Speaker: Once more I invite the hon. member for Lapointe not to wander away from the substance of the Secretary of State's statement.

Mr. Grégoire: Mr. Speaker, I did not intend to labour the point, but everyone knows that all the hon. member for Port Arthur knows about French Canada is Maurice Richard and Lili St.-Cyr.

Some hon. Members: Order.

Mr. Grégoire: In any event, I feel that both he and the Leader of the Opposition would make a fine pair of anti-French-Canadians.

Some hon. Members: Order.

Mr. Grégoire: To bring my remarks to a close, I—

Mr. Deputy Speaker: Again, I ask the hon. member for Lapointe to take under consideration the suggestion made to him by the Chair to the effect that at this time he must limit his remarks to the announcement made by the Secretary of State.

Mr. Grégoire: Very well, Mr. Speaker, I should like to point out to the Secretary of State that even if we support—

[*English*]

Mr. Churchill: Mr. Speaker, on a point of order, you have now called the hon. Member for Lapointe to order on three occasions. Surely he should not be permitted to continue his remarks.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I wonder whether the Conservatives have become atonic or have lost their voices, but we did not hear one word of what he said.

In any case—

Some hon. Members: Order, order.

Mr. Grégoire: —nothing hurts like the truth.

I should like to point out to the Secretary of State that we are in favour of colour T.V., but that many communities and places are still without any T.V. service.

I think that the C.B.C. should appear before a committee of the house, because several good suggestions could be made by the representatives of the public for the benefit of French speaking and English speaking Canadians.

Mr. Speaker, in my opinion advantage should not always be taken of these announcements in connection with the C.B.C. on broadcasting to display nationalistic or anti-nationalistic feelings, as has been done today.

On the contrary we hope for a better understanding with regard to the C.B.C. so that future generations may be relieved, in Canada, of people such as the leader of the opposition and the hon. member for Port Arthur.

[*English*]

[*Later:*]

On the orders of the day:

Hon. J. A. MacLean (Queens): I should like to address a question to the Secretary of State in the light of the announcement he made on motions. Can the Secretary of State advise us what estimate the Fowler Commission has made as to the cost to Canada of colour television? Could he give the House some indication of the total cost and the capital expenditure which would have to be voted by Parliament in order to provide this additional service? I would appreciate it, too, if the Minister would give us a rough estimate of the cost of a colour T.V. set as compared with the cost of an ordinary set capable of receiving only in black and white.

Hon. Maurice Lamontagne (Secretary of State): I have been advised that the total capital cost of what I have announced will be about $15 million. As to the cost of colour television sets, I have no information to give the hon. gentleman.

CRIMINAL CODE

AMENDMENT RESPECTING GROUP DEFAMATORY LIBEL

Mr. W. B. Nesbitt (Oxford) moved for leave to introduce Bill No. C-117, to amend the Criminal Code (group defamatory libel).

Some hon. Members: Explain.

Mr. Nesbitt: Mr. Speaker, this bill seeks to expand the criminal libel sections of the Criminal Code to include hate literature, which is sometimes referred to as group defamatory libel. It would make it an offence

for any group to be held up to hatred, contempt or ridicule because of racial, religious or national background. In addition it would give the officer trying such a case discretion to send an accused for mental observation for 30 days if that presiding officer should see fit to do so. I might add that evidence to the effect that many people who disseminate hate literature are to some degree mentally unstable was given by a number of expert witnesses before the External Affairs Committee last year.

I realize that there are difficulties and dangers involved in introducing legislation of this kind, and that we should only proceed with extreme caution to change the law in this regard. However, I think this bill will provide a vehicle for discussion of this subject so that Parliament may decide whether the law as it stands should in fact be changed.

Motion agreed to and bill read the first time.

DOMINION-PROVINCIAL RELATIONS

QUEBEC—ADDRESS TO HER MAJESTY RESPECTING PROVINCIAL CONSTITUTION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, is the Secretary of State for External Affairs as Acting Prime Minister in a position to advise whether the Government of Canada, the Prime Minister or any other minister has received a message from the Legislative Council of the Province of Quebec in connection with a resolution passed by that body, calling upon the Federal Government to adopt an attitude of strict neutrality with regard to passing on to Her Majesty the Queen the address or resolution that was passed by the Legislative Assembly? Is the Minister in a position to advise whether the Legislative Council's address, which according to the information I have was deposited with the Lieutenant Governor of Quebec on the 11th of this month, has been transmitted to the Governor General? Would the Minister also say whether it is in order for the Legislative Council to pass on its objections and its resolution in that regard to the Prime Minister of the United Kingdom as the adviser to Her Majesty in the United Kingdom?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, as my right hon. friend knows, the channel of communication in such matters would be from one government to another. If one body having legislative authority in a province takes a position involving a matter such as is purported in the telegram to which my right hon. friend refers, the communication to the Government of Canada would have to come through the proper channel, which in this instance must be the Government of the Province of Quebec. I believe that a communication of the kind my right hon. friend mentions has come in. I have not had an opportunity to give it the attention I will give it, but it will have to be perused in the light of what I believe to be the proper channel of communication.

Mr. Diefenbaker: Mr. Speaker, may I ask the hon. gentleman this question. Does he say that under the British North America Act the Legislative Assembly of the Province of Quebec, without the co-operation and joinder of the Legislative Council, can suggest amendments to the constitution? He said a moment ago that any body having legislative authority would forward its recommendations through the medium of the Lieutenant Governor to the Governor General. Did he by that statement indicate that the Government takes the stand that one of the three component parts of the Legislature of Quebec, namely the Legislative Council, could join with the Queen and the Legislative Assembly could be circumvented under section 71, is it, of the British North America Act?

Mr. Martin (Essex East): I think my hon. friend meant to refer to section 71 of the British North America Act. I do not believe anything I said warranted the conclusion which has been put to me by way of this additional question. I simply repeat that the proper channel of communication is between Government and Government, and in this instance not between one legislative body in the Province to the Federal Government, any more than it would be appropriate for one of the Houses of this Parliament to bypass the executive in seeking to establish communication with the Crown.

Mr. Diefenbaker: Since the hon. gentleman has referred to one of the Houses of Parliament circumventing the constitution, does he suggest that if a resolution were passed by the House of Commons and the regular communication to the Queen is through the Government of Canada, the Senate could be circumvented in an action to abolish, change or alter the constitution?

Mr. Martin (Essex East): Again I must say to my right hon. friend that I do not believe

my second response warranted the hypothetical interpretation which has just been made.

AGRICULTURE

BRITISH COLUMBIA—LOSSES SUFFERED BY FRUIT GROWERS

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): May I direct a question to the Minister of Agriculture, and ask him if he has received any request from the Government of British Columbia for assistance to the fruit growers of the Okanagan Valley and the Fraser Valley, in view of the fact that many of their fruit trees were winter killed. Has he received any such request, and is he taking any action on it?

Hon. Harry W. Hays (Minister of Agriculture): We answered this question last week, Mr. Speaker. We have received some inquiries from British Columbia, and at the present time the Government is considering them.

Mr. Douglas: May I ask a brief supplementary question. Under what programs has such assistance been requested by the Government of British Columbia?

Mr. Hays: There have been a number of suggestions made. I discussed some of the problems with the British Columbia Minister of Agriculture. If there were any call for some changes in legislation, this would be government policy and would be announced in the usual way.

Mr. D. V. Pugh (Okanagan Boundary): May I ask a supplementary question. I understand from the Minister's answer today that there is nothing further to the answer he gave me the other day, that the Province of British Columbia itself has not made a special request to this Government. Will the Minister then tell the House immediately when he does get such a request from the Government of British Columbia?

Mr. Hays: Of course in speaking with the Minister of Agriculture from British Columbia I did state that the Federal Government did have programs that would take care of a situation like this, such as our crop insurance program under which the Federal Government puts up 20 per cent of the insurance premium in so far as the farmer is concerned, and the Federal Government pays half the administration costs.

Mr. Pugh: The Minister is not suggesting now that the disaster this year could be cured by legislation to establish crop insurance which would be retroactive. Is that not so?

Mr. Deputy Speaker: Order, please; this is a question asking for a legal opinion.

QUEBEC—ASSISTANCE TO FARMERS

On the orders of the day:

[*Translation*]

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, I should like to direct a question to the Minister of Agriculture.

Could he tell the house whether he has received from the government of the province of Quebec a request for assistance to farmers of the Saint Hyacinthe area, where the crops were greatly damaged following an invasion of caterpillars?

[*English*]

Hon. Harry W. Hays (Minister of Agriculture): No, Mr. Speaker.

[*Later:*]

[*Translation*]

Mr. Marcel Lessard (Lac Saint-Jean): Mr. Speaker, I would like to direct a question to the Minister of Agriculture.

Since the people of British Columbia are interested in the havoc wrought upon Western agriculture, and since I have previously brought up a similar question with regard to agriculture in the Saguenay-Lac Saint-Jean district, has the Minister read the representations and the brief submitted by the UCC of Saguenay-Lac Saint-Jean, pointing up the sad experience of last year and requesting the assistance of the Department of Agriculture?

Second, has the Minister of Agriculture received any correspondence from the premier of the Province of Quebec in that respect?

[*English*]

Mr. Hays: I realize the situation is very serious, but I have not received a letter from the Premier of Quebec.

CONSIDERATION OF REPORTS OF WHEAT BOARD AND GRAIN COMMISSION

On the orders of the day:

Mr. J. H. Horner (Acadia): In the absence of the Minister of Trade and Commerce I wish to address my question to the Minister of Agriculture. Is it the intention of the Government to refer to the committee on agriculture the annual reports of the Wheat

Board and the Board of Grain Commissioners, in view of the fact that the world price for wheat has fallen by 20 cents a bushel and Australia has no wheat for sale, which leaves Canada as the only large country with wheat for sale to communist countries—

Mr. Deputy Speaker: Order, please. The question gives information rather than seeking it.

DEFENCE PRODUCTION

THEFT OF COBALT CONCENTRATE AT DELORO, ONT.

On the orders of the day:

Mr. R. N. Thompson (Red Deer): My question is directed to either the Minister of Justice or the Minister of Industry, because I am not sure to which Minister the question should be directed. It refers to the fact that four or five weeks ago some 150 tons of strategic cobalt concentrate were stolen. We have asked repeatedly for information as to who stole this cobalt and where it was taken. Perhaps the Minister could answer today as to what countries are in a position to make use of this strategic material, to which countries it is expected this cobalt has been exported.

Hon. C. M. Drury (Minister of Industry): I think the cobalt which has been reported stolen was the property of the Crown and administered by the Department of Defence Production. I will undertake to supply answers tomorrow to the questions asked by the hon. Member. I do not have at my fingertips the possible countries that might use cobalt.

Mr. Donald MacInnis (Cape Breton South): I understood the Minister of Industry to say the cobalt was reported to have been stolen. Is the Minister not aware whether or not it was stolen?

Mr. Drury: Yes, Mr. Speaker, I am aware.

ROYAL CANADIAN MOUNTED POLICE

QUEBEC CITY—DISCOVERY OF BOMB AT HEADQUARTERS BUILDING

On the orders of the day:

[*Translation*]

Mr. Robert Beaulé (Quebec East): Mr. Speaker, I should like to put a question to the Minister of Justice.

Has the minister requested that an investigation be made in order to find out who put a bomb on the doorstep of the R.C.M.P. building in Quebec?

[Mr. Horner (Acadia).]

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, this matter is now being investigated.

Mr. Beaulé: Mr. Speaker, may I ask a supplementary question? Does the minister intend to pay tribute to the Quebec municipal police constable who helped dismantle this bomb, in order to prove to the people that Quebec police constables use their heads more often than clubs?

[*English*]

NATIONAL CAPITAL

DISCUSSIONS RESPECTING FORMATION OF FEDERAL DISTRICT

On the orders of the day:

Hon. Leon Balcer (Three Rivers): I have a question for the Acting Prime Minister. Has the Government approached the Premiers of Quebec and Ontario with a view to discussing the possibility of making the Ottawa-Hull area a federal district? Is it the intention of the Government to have this matter included in the agenda of the next Federal-Provincial conference?

Mr. Deputy Speaker: May I suggest that this is a question for the Order Paper.

FORESTRY

REMOVAL OF DEPARTMENTAL LABORATORIES TO SAULT STE. MARIE

On the orders of the day:

Hon. Michael Starr (Ontario): In view of the fact that the Minister of Forestry has claimed so many times that he was misquoted in reports in newspapers, will he clarify the report that has just appeared to the effect a definite decision has been made now to move the forestry laboratory from King, Ontario, to Sault Ste. Marie, Ontario?

Hon. Maurice Sauvé (Minister of Forestry): I gave that answer to the House of Commons on June 10, Mr. Speaker.

[*Later:*]

Mr. Starr: Mr. Speaker, I rise on a question of privilege. The Minister of Forestry just said in answer to me that he answered the question on June 10. His answer on that occasion to the question asked by the hon. Member for Port Arthur will be found at page 2198 of *Hansard*, when he said:

> There is no change in the announcement made on February 18.

February 18 was not in this session of Parliament. If the Minister of Forestry con-

tinues to evade questions in the way he has been doing, then I think something should be done to make him give direct answers to direct questions.

Mr. Sauvé: Mr. Speaker, there was a debate on that subject last night, and if the hon. Member had read *Hansard* this morning he would have learned what was meant by that answer. In fact I was referring to the announcement of the Department of Forestry, public information section, dated February 18, when it was announced that the regional headquarters for Ontario would be established at Sault Ste. Marie.

Mr. Starr: My question was specific on this point of privilege. I asked the Minister whether the report in a newspaper was correct. All he had to do was say yes or no, instead of being evasive as he is.

CANADIAN BROADCASTING CORPORATION

REQUEST FOR EXTENSION OF TELEVISION SERVICE

On the orders of the day:

Mr. Robert Simpson (Churchill): I have a question for the Acting Prime Minister. In view of the announcement made today concerning the advent of colour television, and in view of the fact that the Canadian Broadcasting Corporation has publicly announced that if Parliament would provide a special grant for the extension of television network facilities this work could be done very quickly instead of the contemplated time of ten years, will the Government now take steps to provide this special grant so the people now not served by the Canadian Broadcasting Corporation network can be served as quickly as possible?

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

[*Later:*]

[*Translation*]

Mr. Gérard Laprise (Chapleau): Thank you very much, Mr. Speaker. I should like to direct a question to the Secretary of State.

In regard to television, would he give the Chibougamau and Chapais areas the same consideration he is giving colour television in Canada?

Mr. Deputy Speaker: That is a question for the order paper.

[*English*]

HEALTH AND WELFARE

INQUIRY AS TO NATIONAL MEDICARE PROGRAM

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I hope the Minister of National Health and Welfare will not mind if I put this question to the Acting Prime Minister. In view of the fact that the Government has found it possible in June of 1965 to announce colour television for Canada in 1967, will the Government consider announcing, before the end of the summer, that we will have medicare in Canada in 1967?

Mr. Deputy Speaker: Order, please.

[*Later:*]

Mr. Knowles: On a question of privilege, Mr. Speaker, another question of privilege got in between my question and the Minister's answer.

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, we will of course be glad to consider it.

Mr. Knowles: At ten o'clock, one of these nights.

FINANCE

REPORTED ATTEMPT TO MANIPULATE CANADIAN STOCK MARKET

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I would like to address a question to the Minister of Finance and ask if he is aware that there has been a rather large scale attempt from outside Canada to manipulate the Canadian stock market. Further, if he is aware of this I would like to know whether any action is being taken to bring those responsible to justice, because I understand some of these phony orders were executed on the floor of the stock market.

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I am sure this allegation is far fetched and extremely exaggerated, and I would not put any credence in it.

NATIONAL PARKS

REQUEST FOR STATEMENT ON LEASING POLICY

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, my question is directed to the Min-

ister of Northern Affairs and National Resources, but first I would like to congratulate him on getting back from Siberia.

Some hon. Members: Hear, hear.

Mr. Woolliams: My question is in connection with the tourist trade which helps correct the imbalance of trade between Canada and the United States, and is in reference to the leases of property owners, people who serve a million tourists a year. Is the Minister now prepared to make a statement to the House, because this matter affects hundreds of business people in national parks who will have to renew their leases. I have had dozens of complaints in this regard, and I want to ask what is the policy at the present time.

Mr. Deputy Speaker: Order. The hon. Member is asking what is the policy of the Government, and I assure this is not the time for an announcement of policy.

Mr. Woolliams: Maybe I can put the question so it will be in order, like my hon. friend from another constituency. Is the Minister prepared to renew the leases of businessmen who are serving the tourist trade I mentioned in my previous questions?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, the situation on leases in our national parks is absolutely normal. There is no difference today in respect of such leases. If the hon. Member has a specific case he might mention it to me, and we will look into it at once.

Mr. Lambert: Does the Minister mean to say there have been no changes?

Mr. Woolliams: I put it to the Minister that I have written to him and set out some definite cases, and I have been waiting for a reply for over a month.

ADMINISTRATION OF JUSTICE

REQUEST FOR STATEMENT ON PROPOSED CHANGES IN PAROLE SYSTEM

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I want to ask the Minister of Justice a question which I put to his Parliamentary Secretary yesterday, reminding him that on February 23 he told the House he would try to make an announcement on the Government's policy with regard to parole prior to the date on which the House votes on capital punishment. Has he enunciated a new policy, or does he still expect to make the announcement prior to that important vote?

[Mr. Woolliams.]

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I considered this matter after my Parliamentary Secretary referred the question to me. In reconsidering the question in the light of the fact that the matter of capital punishment is to be submitted to the House to be decided by a free vote, I think it would be more proper for me not to make any assumption as to what that vote eventually will be, so as not to prejudice the question in any way. But for the information of the House I may recall that some months ago the Government amended the parole regulations to provide that in the case of a person whose death sentence has been commuted to life imprisonment, he may not be paroled except after study of his case and leave being given by the Government.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, with the uncertainty that prevails as to what the House may do in a free vote on the matter of the abolition of capital punishment, may I ask the Minister if it is the intention of the Government, until the vote takes place, to withhold any executions that are ordered or directed? I think that is the course that is generally followed when a matter of this nature is to be brought before Parliament. I am simply asking for information.

Mr. Favreau: Mr. Speaker, I think this question has already been answered in the House. The announcement which has already been made is to the effect that pending any change in the law, or any confirmation of the law as it presently stands, each case as it comes up will be considered on its own merits.

Mr. Diefenbaker: That being so, Mr. Speaker, will the Minister not bring on this matter as soon as possible? It seems to me that the necessity for action to be taken by Parliament is of paramount importance, because if Parliament is going to act and abolish capital punishment, those who are today waiting sentence should not be subject to the ordinary rules that have been applicable in the past.

Mr. Favreau: Mr. Speaker, it is the intention of the Government to allow the House to debate this extremely important matter as early as possible.

Mr. Orlikow: Mr. Speaker—

Mr. Favreau: I am proud to announce that the information booklet which is now prepared has been approved in draft form by the

representatives of the various opposition parties, at least on the question of whether it is sufficiently unbiased and properly balanced. The translation is being completed and printing has already commenced. Therefore I think the House Leaders will soon be in a position to get together and discuss the matter.

Mr. Orlikow: Mr. Speaker—

Mr. Deputy Speaker: The hon. Member for Chapleau.

Mr. Orlikow: On a supplementary—

Mr. Deputy Speaker: Order. May I suggest to hon. Members, in view of the fact that we are operating under a new rule which limits questions to 30 minutes, we should try as much as possible to limit supplementaries. In view of this I would like to recognize the hon. Member for Chapleau.

Mr. Orlikow: On a point of order, Mr. Speaker, I asked the Minister a question yesterday which he said he would answer today.

Mr. Deputy Speaker: Perhaps the hon. Member will have an opportunity to ask it again before the 30 minutes expire.

EXTERNAL AFFAIRS

NATO—INQUIRY AS TO REDUCTION IN CANADIAN FORCES

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): On Friday last I directed a question to the Secretary of State for External Affairs with regard to reported basic shifts in NATO policy. The Minister was good enough to say he would take the question as notice. I wonder whether he is now able to clarify the position.

Hon. Paul Martin (Secretary of State for External Affairs): I hope to be in a position to answer the question either tomorrow or the next day.

DOMINION-PROVINCIAL CONFERENCE

INQUIRY AS TO ATTENDANCE OF B.C. PREMIER

On the orders of the day:

Mr. Arnold Webster (Vancouver-Kingsway): My question is directed to the Acting Prime Minister. Is it true, as stated in an editorial in the Vancouver *Sun*, that though the Federal-Provincial Conference to be held in July is expected to last for a week, Premier Bennett of British Columbia has intimated that he and his Ministers plan to attend for one day and a half only because of more important commitments at home.

Hon. Paul Martin (Acting Prime Minister): I shall have to review the files and find out what are the intentions of my friend the Premier of British Columbia.

FREIGHT RATES

PAYMENT OF WAGE COST IN RESPECT OF FREEZING

On the orders of the day:

Mr. H. Russell MacEwan (Pictou): I have a question for the Minister of Transport. I want to ask him whether he can give the House any idea when the Government will make a decision on the request of Canada's two major railway companies for $142 million to meet rising wage costs.

Hon. J. W. Pickersgill (Minister of Transport): As soon as possible, Sir.

TELEVISION

INQUIRY AS TO CONTROL OF CABLE TELEVISION SERVICE

On the orders of the day:

Mr. Jack A. Irvine (London): I have a question to direct to the Minister of Transport. Is it the intention of the Government to control C.A.T.V. or cable transmission through amendments to the Interpretation Act, as proposed in Bill S-15 which was given first reading in the other place on June 3?

Hon. J. W. Pickersgill (Minister of Transport): No, Sir.

Mr. A. D. Hales (Wellington South): Can the Minister say whether changes in this regard will be made before the Fowler Commission report is handed down?

Mr. Pickersgill: I would think it extremely unlikely.

AGRICULTURE

FEED GRAIN—REQUEST FOR POLICY ANNOUNCEMENT

On the orders of the day:

[*Translation*]

Mr. Clément Vincent (Nicolet-Yamaska): Mr. Speaker, I have a supplementary question for the Minister of Forestry.

Could he tell the house, in all sincerity and without resorting to devious means, whether his department proposes to make a recommendation concerning feed grain?

Inquiries of the Ministry

Hon. Maurice Sauvé (Minister of Forestry): This was announced in the speech from the throne, Mr. Speaker.

Mr. Vincent: Mr. Speaker, I have a supplementary question in this connection. Could the Minister say whether at this time the *status quo*, the first hypothesis of action stated by the Minister, is already the real policy of the government, as seemed to be the case in the last two years?

[*English*]

Mr. Deputy Speaker: Order.

ROYAL CANADIAN MOUNTED POLICE

REPORTED STATEMENT RESPECTING INSTRUCTIONS IN WIRE TAPPING

On the orders of the day:

Mr. David Orlikow (Winnipeg North): I should like to ask the Minister of Justice whether he is now in a position to answer the question I asked him yesterday regarding allegations of R.C.M.P. participation in wire tapping operations.

Hon. Guy Favreau (Minister of Justice): Yesterday I undertook to complete my answer to the question put to me by the hon. Member for Winnipeg North having reference to the Commissioner of the R.C.M.P. being quoted in the *Telegram* recently as saying that the R.C.M.P. teaches its staff methods of electronic intrusion techniques.

I have been assured by the Commissioner that this was mentioned not in relation to the use or intended use of such methods and devices by R.C.M.P. members, but exclusively in relation to the knowledge which members of the R.C.M.P. must have of modern techniques used by professional criminals or by agents involved in subversive activities so they may be better able to counteract them.

It is normal and even essential that those who are to be charged with the responsibility for maintaining order and assuring security be placed in a position to cope with the modern devices and systems, including electronic intrusion techniques, which might be used by criminals or others to offend against the order and security of the state.

Mr. Erik Nielsen (Yukon): Can the Minister of Justice inform the House whether the Government is in possession of or owns any electronic eavesdropping devices, and whether they are in fact in use?

[Mr. Vincent.]

[*Translation*]

Mr. Favreau: Mr. Speaker, I have already answered this question twice in the house lately.

[*English*]

Mr. Deputy Speaker: Order. I regret to advise the House that the thirty minutes available for questions has expired.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I rise on a question of privilege.

Mr. Deputy Speaker: Is the hon. member rising on a question of privilege related to the present discussion? Otherwise, under the new rules, the hon. member must notify the Chair.

Mr. Grégoire: Mr. Speaker, this is a question of privilege arising from something which happened in the house since the beginning of this sitting, but which does not result from another question—

Mr. Deputy Speaker: Under the new rules, the hon. member for Lapointe cannot raise a question of privilege without notice.

[*English*]

WAYS AND MEANS

The House in Committee of Ways and Means, Mr. Lamoureux in the Chair.

INCOME TAX ACT

Resolved, that it is expedient to introduce a measure to amend the Income Tax Act and related provisions of the Federal-Provincial Fiscal Arrangements Act and to provide among other things:

1. That for the 1966 and subsequent taxation years the income tax payable by an individual be reduced by an amount equal to the lesser of 10 per cent of basic tax or $600 and for the 1965 taxation year by an amount equal to the lesser of 5 per cent of basic tax or $300.

2. That for the 1965 and subsequent taxation years a taxpayer may deduct in computing his taxable income an amount for the support of a person who was his niece or nephew and who during the year resided in Canada, was wholly dependant upon him for support, and was

(a) under 21 years of age,

(b) 21 years of age or over and dependant by reason of mental or physical infirmity, or

(c) 21 years of age or over and in full time attendance at a school or university,

if

(d) the mother of the niece or nephew was divorced or separated and not in receipt of alimony or similar payments, or

(e) the father of the niece or nephew was deceased or mentally or physically infirm,

not exceeding $300 if the person was a child qualified for family allowance and $550 if he was not so qualified.

3. That for the 1965 and subsequent taxation years a taxpayer may deduct in computing his taxable income an amount not exceeding $550

expended by him during the year for the support of a person who was his aunt or uncle and who during the year resided in Canada and was dependant upon him for support by reason of mental or physical infirmity.

4. That for the 1970 and subsequent taxation years the additional exemption of $500 now allowed to a taxpayer who has attained the age of 65 years be allowed only if the taxpayer has attained the age of 70 years and that for the taxation years 1966 to 1969 inclusive a taxpayer who has attained the age of 65 years but has not attained the age of 70 years be allowed the additional exemption of $500 only if he did not receive a pension under the Old Age Security Act in respect of any month in that year.

5. That for the 1965 and subsequent taxation years a taxpayer who deducts in computing his income from an office or employment

(a) annual dues to maintain membership in a trade union or to maintain membership in an association of public servants,

(b) annual dues retained from his remuneration pursuant to the provisions of a collective agreement and paid to a trade union or association, or

(c) annual professional membership dues the payment of which was necessary to maintain a professional status recognized by statute,

shall not by reason of such deduction be ineligible to deduct the standard deduction of $100 described in paragraph (ca) of subsection (1) of section 27 of the Act.

6. That for the 1966 and subsequent taxation years a person, the spouse of such person residing with him and previously resident in Canada, or any dependant child of such person, shall be deemed to have been resident in Canada throughout a taxation year if such person was at any time in the year performing services in a country other than Canada under a prescribed international development assistance program of the Government of Canada, and was resident in Canada during a part of the year preceding the commencement of such services.

7. That for the 1966 and subsequent taxation years a contribution made by a person under the Canada Pension Plan or under a provincial pension plan as defined in section 3 of the Canada Pension Plan may be deducted in computing the income of such person.

8. That for the 1965 and subsequent taxation years the limitation on the amount related to earned income that a taxpayer may deduct as a premium under a registered retirement savings plan be increased from 10 per cent of earned income to 20 per cent of earned income.

9. That for the 1965 and subsequent taxation years such part of any amount that would otherwise be included in computing income of a taxpayer as a retiring allowance be deductible if it is paid in the year, or within 60 days after the end of the year, as a contribution to a registered pension fund or plan, as a premium under a retirement savings plan, or to a trustee under a deferred profit sharing plan.

10. That there may be deducted in computing the income of a taxpayer an amount in respect of an outlay or expense made by the taxpayer in the 1965 and subsequent taxation years

(a) to a person with whom the taxpayer is dealing at arms length and who is the lessee of property owned by the taxpayer, to obtain the cancellation of a lease on such property,

(b) for landscaping property used by the taxpayer for the purpose of gaining or producing income,

(c) for clearing land or laying tile drainage for the purpose of carrying on a farming business,

(d) as or on account of the cost of making representations to a government, municipality or other public authority in connection with a business carried on by the taxpayer, including representations for the purpose of obtaining a licence, permit, franchise or trademark,

(e) as or on account of the cost incurred in investigating the suitability of a site for a building or other structure planned by the taxpayer for use in connection with a business carried on by him.

11. That for the 1965 and subsequent taxation years a corporation shall be deemed to be resident in Canada throughout a taxation year if

(a) it was incorporated in Canada before April 27, 1965 and was resident in Canada in its taxation year that included April 26, 1965 or in any subsequent on taxation year, or

(b) it was incorporated in Canada after April 26, 1965.

12. That with respect to payments received by a taxpayer after April 26, 1965, other than a payment made upon the death of an employee, the amount that a taxpayer may elect to have taxed under section 36 of the Act shall not exceed

(a) in the case of a single payment

(i) out of or pursuant to a superannuation or pension fund or plan, or

(ii) pursuant to deferred profit sharing plan, or

(iii) pursuant to an employee's profit sharing plan,

$1,500 times the number of years during which the employee, in respect of whom the payment was made, was a member of the plan, or

(b) in the case of

(i) a single payment upon retirement of an employee in recognition of long service, or

(ii) a payment or payments made by an employer to an employee or former employee upon or after retirement in respect of loss of office or employment

$1,000 times the number of years during which the employee, in respect of whom the payment was made, was an employee of the employer who made the payment.

13. That for taxation years commencing after April 26, 1965, a trust or estate (other than a trust or estate arising on death) that has income from a business carried on by it in Canada may not deduct in computing its income an amount paid or payable to a beneficiary who is

(a) a non-resident of Canada,

(b) a non-resident-owned investment corporation, or

(c) another trust or estate resident in Canada, unless that other trust or estate

(i) arose on a death, or

(ii) has been since April 26, 1965 a beneficiary of the trust or estate paying the amount and the trust or estate paying the amount has been carrying on the business since April 26, 1965,

and any amount paid or payable out of the income for the year of the first-mentioned trust or estate will continue to be included in the income of its beneficiary notwithstanding the fact that the first-mentioned trust or estate was not entitled to deduct the amount in computing its income.

14. That for the 1965 and subsequent taxation years the amount of income derived from a new mine that a corporation may exclude in computing its income shall be confined to income from the operation of the mine by the corporation.

15. That where a joint exploration corporation acquires after April 26, 1965 a right, licence or privilege to explore for, drill for or take petroleum, natural gas or other related hydrocarbons, the cost of the right, licence or privilege may not be renounced to a shareholder corporation.

16. That for the 1965 and subsequent taxation years an amount that a taxpayer may exclude from his income because it is consideration for a mining property acquired as the result of his effort as a prospector, or as the result of efforts of a prospector who was employed or financially assisted by him, shall not include a share of profits, a royalty or a payment based on production.

17. That the Minister of National Revenue with the approval of the Governor in Council may on behalf of the Government of Canada enter into an agreement with the government of a province, under which one government undertakes to transfer to the other, in respect of income tax paid by an individual from whom deductions were made at source as though he were resident in a place other than the province in which he was resident on the last day of the year, a part of the amount deducted or withheld under section 47 of the Act or a similar provision of a provincial income tax act.

18. That in order to give effect to the provisions of paragraph 1 without reducing the amount of equalization payments to any province a consequential amendment be made to the Federal-Provincial Fiscal Arrangements Act to adjust the fractions set out therein in the definition of "standard individual income tax" used in the computation of equalization payments.

19. That a new section be added to the Act concerning expenditures of a taxpayer for advertising space in a non-Canadian newspaper or periodical having effect substantially as follows:

"12A (1) In computing income, no deduction shall be made in respect of an otherwise deductible outlay or expenses of a taxpayer for advertising space in an issue of a non-Canadian newspaper or periodical dated after December 31, 1965 for an advertisement directed primarily to a market in Canada.

(2) An issue or edition of an issue of any newspaper or periodical that is edited in whole or in part in Canada and printed and published in Canada and that was not on April 26, 1965 a Canadian newspaper or periodical shall be deemed, for the purposes of subsection (1), not to be an issue of a non-Canadian newspaper or periodical if

(a) through the period of twelve months ending April 26, 1965 issues or editions of issues of that publication were being edited in whole or in part in Canada and printed and published in Canada at the usual intervals for issues of that publication and have since that date continued to be so edited, printed and published without interruption except for a reason other than the cessation of the business of publishing that publication; and

(b) in the case of a periodical, the periodical is similar, in content and in respect of the class of readers to whom it is directed, to the issues or editions of that periodical that were throughout the period of twelve months ending April 26, 1965 being edited in whole or in part in Canada and printed and published in Canada.

(3) Subsection (1) does not apply with respect to an advertisement in a special issue or edition of a newspaper that is edited in whole or in part and printed and published outside Canada if such special issue or edition is devoted to features or news related primarily to Canada and the publishers thereof publish such an issue or edition not more frequently than twice a year.

(4) Subsection (1) does not apply with respect to an advertisement in

(a) a catalogue, or

(b) any publication the principal function of which is the encouragement, promotion or development of the fine arts, letters, scholarship or religion.

(5) In this section,

(a) 'Canadian issue' means,

(i) in relation to a newspaper, an issue, including a special issue,

(A) the type of which, other than the type for advertisements or features, is set in Canada,

(B) the whole of which, exclusive of any comics supplement, is printed in Canada,

(C) that is edited in Canada by individuals resident in Canada, and

(D) that is published in Canada, and

(ii) in relation to a periodical, an issue, including a special issue,

(A) the type of which, other than the type for advertisement, is set in Canada,

(B) that is printed in Canada,

(C) that is edited in Canada by individuals resident in Canada, and

(D) that is published in Canada,

but does not include an issue of a periodical

(E) that is produced or published under a license granted by a person who produces or publishes issues of a periodical that are printed, edited or published outside Canada, or

(F) the contents of which, excluding advertisements, are substantially the same as the contents of an issue of a periodical, or the contents of one or more issues of one or more periodicals, that was or were printed, edited or published outside Canada,

(b) 'Canadian newspaper or periodical' means a newspaper or periodical the right to produce and publish issues of which belongs to or is vested in

(i) a Canadian citizen,

(ii) a partnership of which at least ¾ of the members are Canadian citizens and in which interests representing in value at least ¾ of the total value of the partnership property are owned by Canadian citizens,

(iii) an association or society of which at least ¾ of the members are Canadian citizens,

(iv) Her Majesty in right of Canada or a province, or a municipality in Canada, or

(v) a corporation

(A) that is incorporated under the laws of Canada or a province,

(B) of which the chairman or other presiding officer and at least ¾ of the directors or other similar officers are Canadian citizens, and

(C) of which, if it is a corporation having share capital, at least ¾ of the shares having full voting rights under all circumstances, and shares representing in the aggregate at least ¾ of the paid-up capital, are owned by Canadian citizens or by corporations other than corporations controlled directly or indirectly by citizens or subjects of a country other than Canada; and

(c) 'issue of a non-Canadian newspaper or periodical' means an issue that is not a Canadian issue of a Canadian newspaper or periodical."

Mr. Cameron (Nanaimo-Cowichan-The Islands): Last night I was in the midst of a surgical operation, and although I see the

patient is engaged in another consultation at the moment I will proceed with it.

• (3:40 p.m.)

Last month, you may recall, the Minister of Finance, after having disingenuously as I described it as kindly as possible, reiterated a misapprehension which he had at first including some astronomical figure which flowed from it in respect of my amendment—I may say that he did so twice in the space of five minutes—finally made what on the surface might be considered a legitimate objection to the amendment. However, when I pointed out that I thought anyone reading it with the slightest intelligent appreciation would take for granted that such amendment as I presented, would be accompanied of necessity by what are usually known as "catch provisions", the Minister proceeded to chide me for sloppy compilation of my amendment and suggested I had either been very careless or sloppy or had been deliberately trying to slip something over.

This charge of sloppy draftsmanship or, what is even worse, a rather sloppy approach to this question strikes me as being rather interesting, because this is the Minister who told us on April 26, 1965, when he was introducing an amendment to ensure that contributions to the Canada Pension Plan and the Quebec pension plan would be fully deductible in calculating taxable income—I am sorry the Minister finds it necessary to leave but I will not allow his absence to inhibit me in what I have to say, as I am sure you, Sir, will convey my comments to him.

Mr. Pennell: Mr. Chairman, I should just like to assure the hon. Member that the Minister will return very shortly.

Mr. Cameron (Nanaimo-Cowichan-The Islands): If what I suggested was the Minister's purpose, then it seems to me this particular budget resolution he presented on April 26 is a masterpiece of sloppy draftsmanship. Certainly those individuals in the lower income brackets will receive compensation for their contributions to pension plans, but only just enough to pay for those contributions. They would have to reach an income of some $6,800 before they could draw more in tax abatements than they pay in pension plan contributions. Let us take as an example a taxpayer with an income of $10,000, $15,000 or $20,000, or one who has reached the limit of his tax abatement of $600. In the wisdom of the Government and Parliament only individuals with incomes between $600 and $5,000 are subject to contributions to the pension plan. What happens if a taxpayer has an income which is high enough to enable him to collect the maximum of $600 in the way of tax abatement? We find that he is to be given a bonus of either $520.80 or $441.60 per year, depending upon whether he is employed or self employed, is paying the whole contribution or only the employer's portion. That individual will receive this extra bonus in order that the lower income groups may be fully compensated for their payments to the pension plan. If that is not an example of sloppy draftsmanship I do not know what is.

Surely, Mr. Chairman, our Minister of Finance and his advisers are not so incompetent that they had to arrange matters so that those individuals in the upper income brackets would receive bonuses to the extent I have mentioned in order that individuals in lower income brackets may be assured that they will have their pension plan payments covered by tax rebates. I suspect that this was done because it was the easiest thing to do. I suspect it was done because it was much easier to pluck the 10 per cent figure out of the air and spread it all across the board than to revise the income tax structure.

What the Minister proposes—that is, to ensure that those individuals in the lower income bracket will have their pension plan payments covered or compensated for by the income tax rebate—is good, but I think it ill becomes the Minister of Finance to chide me for carelessness in the drafting of an amendment which is obviously a very short and simple submission to the House, without an elaborate explanation of the revisions that would be required in respect of income brackets above the level proposed, in view of the fact that he has produced legislation of this sort which will have the result of paying bonuses to people in an income bracket sufficiently high to enable them to receive the total $600 rebate. The bonuses payable will be, as I have said, $520.80 or $441.60, and are designed to ensure that individuals in the lower income brackets will be compensated. That to my mind is careless and lazy drafting, in respect of which the Minister should be severely criticized and reprimanded.

There is another matter covered by this budget resolution to which I should like to direct some comments, and I refer to that portion which deals with advertising in newspapers. I think all of us will have some sympathy with the Minister in his attempts to

encourage the development and expansion of Canadian publications, and I presume that is the purpose of this legislation. I assume that he is attempting to offset the very large extent to which foreign advertisement now influences the Canadian reader. But I am wondering whether the Minister has thought of the possible consequence of his attempt to curb advertising by Canadian advertisers in foreign newspapers and periodicals. Has it occurred to him that the result may well be not to increase advertising by Canadian advertisers in Canadian publications but possibly merely to divert this advertising to United States television and radio stations.

I suggest that in my Province there is a striking example of this at the present time. The television station at Bellingham serves to a great extent the large Vancouver metropolitan market rather than the United States centre. At the present time many Canadian advertisers take advantage of the services provided by the television station at Bellingham, and I think this sort of thing is likely to be the result of the Minister's very worthy attempts to safeguard the position of Canadian publishers of Canadian newspapers.

This brings me to another aspect of the problem, Mr. Chairman, and I hope you will be lenient with me because although it is not actually covered in these resolutions, it is related to them. The purpose of the Minister's resolution seems to be to protect and encourage the development of Canadian publications. If that is so then I think we must consider the position of these phony Canadian editions of United States publications. I have in mind two in particular, *Time* magazine and *Reader's Digest*, both of which in addition to being United States publications masquerading as Canadian publications are intrinsically vicious elements in our public media in Canada. *Time* magazine is tendentious, to say the least. *Reader's Digest* is composed, as everyone knows, of planted articles, which is the very lowest type of journalism. These two publishing firms have been allowed to set up in Canada so-called Canadian editions, which I understand are printed in Canada but the entire editorial content of which comes from New York, across the line. These two magazines come here, of course, for one purpose or one principal purpose, which is to take advantage of the very generous postal regulations in Canada with regard to periodicals.

• (3:50 p.m.)

I suggest to the Minister of Finance that if he is really concerned with protecting Canadian publications and promoting their development he should take appropriate steps to redefine in very careful terms what constitutes a Canadian publication, in such a way as to exclude these extremely dubious publications which now masquerade as Canadian periodicals. I imagine this would entail some regulations under the Post Office Act. It might even entail some tariff revisions to keep out the editorial matter coming from New York; I am not sure of that. But I am sure the Minister, his colleagues and his staff could work out something which would prevent *Time* magazine and *Reader's Digest* from shamelessly taking advantage of the very generous provisions which we make in Canada regarding postage for periodicals.

I have always regretted, Mr. Chairman, that the provisions of the O'Leary Commission report in this regard were not carried out. I think it is idle for the Minister of Finance to imagine that he is doing anything substantial to protect our Canadian identity and to protect the position of Canadian periodicals merely by bringing in this amendment to the taxation act. It will penalize Canadian advertisers who advertise in United States publications, advertising which, according to the text of the resolution, is primarily designed for the Canadian market.

Incidentally, Mr. Chairman, this brings to mind another point. I am not quite clear how the Minister is going to decide where this advertising is directed. How is he going to determine whether it is directed to the citizens of Toronto or the citizens of Buffalo? Obviously the appeal will be made to both groups in the same manner. I suspect that this will become almost a dead letter. On the other hand, if the Minister and his colleagues will pluck up their courage and deal with these two very powerful publications and see that they are no longer allowed to masquerade as Canadian publications, then for the first time in all his commendable patriotic endeavours to protect the Canadian economy and Canadian identity he will have done something toward this end, instead of just going through the motions.

Mr. Diefenbaker: Mr. Chairman, I intend to confine myself to that portion of the resolution dealing with publications, and to look into the reason for and the genesis of this legislation, which in my opinion is a serious first step along the road to control of the press in Canada.

I realize there are many who feel that action should be taken to protect what is

[Mr. Cameron (Nanaimo-Cowichan-The Islands).]

called the Canadian identity. However, as one views this legislation one can only conclude that it has been put together most haphazardly, and that it will not achieve the purposes for which it is ostensibly intended. Indeed, an argument has just been made by the hon. Member who has just taken his seat to the effect that if it is brought into effect it can only mean that radio and television stations across the line which enjoy a tremendous influence in the border areas of our country, will become the main advertising media, and that advertising which would normally go to Canadians will join the exodus to the United States.

On the face of it I think this is dangerous legislation, dangerous in the degree to which it places in the hands of a government the power to control. A great deal of thought control has been practised by this Government during the past two years. One has but to listen to some of the broadcasts that take place and read some of the articles in the press to come to the conclusion that they have all the appearance of having been directed by the Government. Indeed, when matters which cause controversy arise in this House one can always be sure that the following day among the broadcasts over the C.B.C. will be those of commentators who explain away matters which are subject to criticism. I know it is only a coincidence, but when coincidence appears to be the regular course the ultimate conclusion is that there are other explanations than mere chance. So I say at once that in so far as this legislation is concerned it constitutes a major interference with basic principles which are inherent in the concept of freedom of the press.

This is a Government that is afraid of United States investment. This is a Government representing a party which two or three years ago was criticizing the Government of that day for being anti-American. Within a period of over two years the course taken by this Government has been anti-American, indeed to such an extent that it has become anti-Canadian. The Government is afraid of American investment, but it was not afraid to provide $50 million a year to the great United States automobile companies on the basis of the recent parts agreement.

Do I exaggerate the meaning of this legislation if it is implemented? Did the Canadian daily newspaper publishers talk foolishness and nonsense on May 4? This is foolishness and nonsense on the part of the Minister of Finance, the Prime Minister and possibly the Minister of Justice. The Daily Newspaper Publishers Association said this proposal "is a fundamental violation of long established press freedom".

• (4:00 p.m.)

Several of those who made that statement have been avowed supporters of the Government of the day. They asked the Government to drop this legislation. I ask them now, on behalf of Her Majesty's Loyal Opposition, to drop it. This legislation is dangerous. It may not seem dangerous to those who would like to control the thinking of the people of the country, but this legislation places newspapers in all parts of Canada in a position where a first step has been taken to throttle freedom of expression. Again I point out the Daily Newspaper Publishers Association said the measure involves a fundamental violation of long established press freedom in Canada.

When I speak on behalf of the freedom of the press, may I say no one has had that freedom used against him to a greater extent than I have during the past several years. Yet, having had that experience, I assert that the maintenance of freedom of the press as more important than anything else toward the assurance of freedom within the country. That does not interest the Minister of Finance. He has ideas. He has had ideas during the last two or three years which, to use a colloquial expression, were the most cockeyed ever presented in Parliament.

Mr. Grafftey: One disaster after another.

Mr. Diefenbaker: He has had to withdraw most of them. He proposes and finally the Government as a whole disposes by dropping his most hoped for endeavours. The resolution said the publishers wished to record "our serious protest" against the budget proposal. It went on to say:

> To employ in any degree or manner a tax restraint or incentive on advertising as a means of regulating the press of this country, or its ownership, is a fundamental violation of long established press freedom in Canada.

Who supported that? Were they political opponents, or were they people who understand freedom and its preservation? Among them were Mr. R. A. Graybiel, of the Windsor *Star*, Basil Dean of the Edmonton *Journal*, Aurele Gratton of *Le Droit* of Ottawa and R. S. Malone of F.P. Publications Limited. Mr. Graybiel reported that they had a good reception from the Prime Minister. It is not a good reception that is being asked; it is an end to this threatened legislation. This is what we want to achieve.

I am referring now to a Canadian Press dispatch in the Montreal *Gazette* of May 5, Mr. Graybiel was asked about the Minister's statement in the House that those opposing the proposed legislation should put forth alternatives, and in reply he said that the executive of their association "had not been empowered by its 103 member papers to make such proposals".

Alternatives are not needed. When a Government introduces a resolution such as this, which cannot but have the effect of hobbling freedom, alternatives are not needed. There is only one alternative to this legislation, and that is to withdraw it and get rid of it. The Minister will grow in importance in this country by taking such action. He will not be spoiling the record of the Government. It has the greatest long distance record of running away from its proposals and throwing them overboard of any government in history. Why spoil that record by adhering to something so questionable as this proposal?

I do not often read from editorials, but I intend to make a couple of references. The Toronto *Globe and Mail* had an editorial entitled "Useless—And Worse". I think the *Globe and Mail* is one of the admirers of the Minister of Finance.

Mr. Gordon: Ha, ha.

Mr. Diefenbaker: I do not know what the Minister is laughing at. I have always thought the *Globe and Mail* held him in the highest regard.

Mr. Gordon: Mr. Chairman, I wonder whether the right hon. gentleman would allow me to comment that about the only thing we have in common is that neither of us is admired by the *Globe and Mail.*

Mr. Diefenbaker: I am always willing to hear from the hon. gentleman, but at the moment he is the Government. He represents the Government. The description "useless and worse" did not refer to him or the Government but to the proposal, although it could have been used in the wider sense had it been desired to do so. I refer now to the Fredericton *Gleaner.*

Mr. Gordon: Ha, ha.

Mr. Diefenbaker: The Minister of Finance laughs just as he laughed when we criticized his ideas in the 1963 budget, which he had to throw overboard.

Mr. MacEwan: He is laughing because it is a Maritime paper.

[Mr. Diefenbaker.]

Mr. Diefenbaker: The Fredericton *Gleaner* says:

> Another flaw has become apparent in the Government's budget proposal to refuse income tax credits for advertising...It is now rumoured that proposal may be a violation of the General Agreement on Tariffs and Trade to which Canada is a signatory.

Then it goes on to say how dangerous this legislation is. The Winnipeg *Free Press* had an editorial headed "Swelling Protests". They ask why the Minister did this. Why this solicitude for the newspapers? They did not ask for it. You know, Mr. Chairman, there are so many things that have been asked for, such as fairness for our old age pensioners, such as a new sense of responsibility toward the superannuated civil servants. These things have been asked for but the Government has not given them. This is something that has not been asked for by the newspapers of Canada. With reference to the resolution of the Canadian Daily Newspaper Publishers Association the Winnipeg *Free Press* had this to say:

> The resolution also noted that, historically government influence on press freedom through taxation techniques "went on far longer and more insidiously in Great Britain than did direct censorship of news."

What that has to do with, of course, is the fact that in 1712 a stamp tax was imposed on newspapers at the rate of a penny a sheet, and by 1815 it had risen to fourpence a copy. The purpose was to restrain the abuses arising from the publication of blasphemous and seditious libels. But the action was dangerous; it interfered with freedom, and finally the tax was abolished in the 1850's. The proposal now before us brings back legislation that was abolished over 100 years ago in the United Kingdom as dangerous. The *Free Press* went on to say with regard to these controls:

> They could lay open the way for some future and less scrupulous government to use them as a method of punishing or bestowing favours on Canadian newspapers.

The *Free Press* also had an editorial headed "Unwanted Protection" in which it said in part:

> Whether by design or through sheer clumsiness, what the Minister proposes would give this and all future governments the power to interfere with the right of all Canadians to read what they choose.

Nobody would say it was sheer clumsiness by this Government. The Winnipeg *Free Press* says that this measure strikes at the freedom of newspapers. It says also that the object, which is laudable enough, is to ensure that

essential communications media remain in the hands of Canadian citizens. The article goes on to point out the grave dangers to which these moves will lead.

• (4:10 p.m.)

I should quote from one of the greatest Canadians of our time, even though today he is living in the United Kingdom. I refer to Lord Thomson, Roy Thomson, a man whose life has been, for the most part, the embodiment of the Alger story, a man who in the operation of his vast empire of newspapers and periodicals has, as a Canadian, extended the field of public information to a degree never before known. He says this:

> It is in violation of the universal declaration of human rights of the United Nations, where Article 19 specifies that everyone has the right to freedom of information and expression, a right which includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media.

The purpose is to prevent foreign corporations from actively controlling or directing Canadian thinking. Well, what about *Time* magazine? Read *Time* magazine week by week. As the hon. gentleman who preceded me said, it masquerades as Canadian but it has only four or six pages of Canadian news in the Canadian edition. Canadian? Read the articles, and read the degree to which, week by week, *Time* magazine views Canadian problems from the point of view of the Government of the day. Is the Government fearful of the control of Canadian thinking by another country? On the occasion when I visited Commonwealth countries, Mr. Chairman, I found one item in *Time* magazine during that entire trip which had to do with Canada, and it was in miscellany. Canada gets less attention than does a republic with a population of 300,000.

Then there is *Reader's Digest*, which established itself here. We should remember that these two magazines have 40 per cent of Canadian magazine advertising. It is a tremendous power to be used, if used to control Canadian thinking.

Well, from where did this all come? It did not come from the O'Leary report. The O'Leary report said nothing about newspapers. It dealt with two magazines and that is all. There was nothing about newspapers. What is wrong with advertising? What is the basis upon which this legislation has been introduced? Are we to have a mentally controlled electorate, determined in its decisions by the fear of what the Government can do? One of the vital needs of democracy is a free press to keep the public fully informed with impartiality. The performance of this function, which is indispensable to freedom, requires that the freedom of the press be maintained. I am concerned with the philosophy of the bureaucrats behind this legislation. Eight of them sit over there, former top bureaucrats, and they like to cut through things. It is their viewpoint, I am sure, which in large measure is represented by the thinking behind this legislation.

I intend to quote from one of the leaders of Liberalism today, Mr. Tom Kent. Mr. Kent is a bureaucrat today who looks after the so-called war on poverty, the war on the poor. He is above Parliament. He enjoys a position of power about which even he had to smile when he was on private television and was asked questions by young men and women. He is the father of this. Sometimes it is difficult to find the putative father of some of these ideas that spring up from time to time, but not in this case. He was in Kingston in July, 1960. I have here a copy of his speech, which was one of the longest in history, 66 pages. Most people just measured it, but I read it. I want to set out these views which represent the philosophy of this individual today as he directs the policies that should be followed. His thesis is that Government direction of economic behaviour is necessary in order to expand social security, the redistribution of wealth.

Now, all of us believe in social security. How far did that gentleman go at the meeting to which I have referred? I think it is well to quote some of the expressions used, even though quotation is sometimes very tiring. I now read from page 61:

> The business expenditures that are of great fiscal interest are those on advertising and merchandising generally. This is the major respect in which, because of the imperfection of competition and the distortion induced by taxation, the "hidden hand" is not working. The magnetism of the market is not inducing business as a whole to find its profit, as in theory it does, in what the community wants. Business is engaged now in a gigantic effort to tell the community what to want.

• (4:20 p.m.)

That is his philosophy. He does not like advertising. It is not the kind of thing that should be done. Businesses should not develop and expand through advertising. It is bad for the people to consider buying what they think they would like to have. What we should have is a control over advertising so that people will only be able to buy that which the bureaucrats feel is good for them

to purchase. If you think I overstate it I shall read on:

Business is engaged now in a gigantic effort to tell the community what to want. In the process it wastes talent; it gives every possible encouragement to wage demands, excessive personal indebtedness, and inflationary forces generally, and by stimulating unimportant wants it increases the reluctance of people to satisfy their far more important collective wants, for schools and the rest.

Socialism at its worst never equalled Kent at his best. No wonder they sometimes say that the Government is composed of socialists in a hurry. Let me read on:

I am not, of course, saying that all advertising is undesirable.

Isn't that a frank admission; not all advertising, just the kind of advertising that the bureaucrats think would be good for us. Let me read on:

I am saying that we have a tiger by the tail.

I don't quite follow that, but I presume if I took the time I could understand it.

Or, to vary the analogy, we have got our economy into a state of distorted incentives that makes us feel compelled to run faster and faster in order to stand still.

He has got something there, Mr. Chairman. That is what this Government has been doing, running faster and faster in order to stand still.

The individual business, of course, cannot do anything about this; it cannot contract out of the race while others are in it. The only profitable course is generally to try to do more and better advertising.

Then he goes on to say this:

In principle, there is no reason why advertising should not be taxed, like liquor or gasoline or thousands of other more useful things. But since in effect Government at present subsidizes most advertising to the tune of a half, through its allowance for tax purposes, the better first approach probably is to refuse to allow advertising, and perhaps other merchandising expenditures, for tax purposes.

Socialism at its worst never espoused a philosophy like that. Where would private enterprise be if it had not been for advertising? How would expansion within our country take place if the philosophy of Mr. Kent—apparently now that of the Government—were carried into effect? Then he says:

This would be, of course, a considerable upheaval.

The Minister laughs because he has read all this nonsense. He knows it all by heart and he really does not have to listen. Mr. Kent says:

It might well be approached in stages—

They are not going to abolish advertising all at once.

[Mr. Diefenbaker.]

—in the first year adding back, say 25 per cent of advertising expenditures to a corporation's profits for tax purposes, 50 per cent the next year, and so on. That would give an opportunity for adjustment, not only to the advertisers but also to the newspapers, radio and television. I do not think, incidentally, that the lessening of their dependence on advertising would in the end do anything but good for the media of communication—

I would like to know how the media of communication could exist if they did not have advertising, but apparently I am misinformed in that connection. Then he says:

—Though for their sake—

That is for the sake of the newspapers that are denied advertising.

—it would require some offsetting tariff on the advertising content of foreign publications entering Canada—not as a discrimination, but in order to prevent inequality.

This is where the paternity is established. We are being asked to carry out the policies of the 1960 conference, and apparently this has an appeal for the Minister of Finance and the Government. Mr. Kent says in effect that if we got rid of advertising by these gradual reductions, 25 per cent in the first year and 50 per cent the next year, there would be a considerable upheaval, but he says it will not be a panacea.

This advertising proposal is not, of course, put forward as a panacea. I am not claiming it as something that will fix up our tax problems once and for all.

Then with becoming modesty he says:

I am not pretending to complete certainty that it is the right thing to do, though I am quite sure that it would yield very great benefits, and I will take a lot of persuading that there are comparable disadvantages which at all offset the benefits. However, my only basic purpose is to use it as an illustration of the approach to taxation that we should take—

Then he says this:

If, for example, we did reduce advertising—

I hope the Minister absorbs this because he can learn how he can increase taxes and make us feel good about it.

If, for example, we did reduce advertising, it would thereby become easier also to raise existing taxes on consumption—liquor revenues, gas tax, vehicle licences, real property taxes, and general sales tax. Our provincial premiers could better have their day.

What a philosophy. First he says to the people, you shall not advertise. They will have that much more money available, by being protected against being induced to purchase what, in the bureaucrats' opinion, is not good for them. They will have that

much more money available to pay taxes, including the sales tax. Then he says this:

> Having mentioned property taxes, which so closely affect the most poverty stricken of our three levels of government, I would say that here increases seem very reasonable. While a general capital gains tax has many undesirable features, and certainly is not to be preferred to increased taxation of inheritance, there is a very great deal to be said for a specific tax on increments in property values, which are the consequence mostly of public decisions.

There is a compendium of economic direction by the man who has been set apart and anointed as the person who has the solution for Canada's problems. In the course of this very interesting monologue he said this:

> In effect advertising is an expenditure that aims at higher consumption rather than increased efficiency.
>
> Direct advertising expenditures in the United States last year were over $11 billion. They have doubled in nine years. This leads to waste, the waste of scientific ability in research that produces nothing but entirely trivial modifications of products for the sake of sales gimmicks.

• (4:30 p.m.)

Apparently this is the philosphy of the Government, because Mr. Kent has been raised to the position of director and controller of the war on the poor. Mr. Kent then went on to say this:

> If one had to express the greatest inefficiency of our economic system in a sentence, it could well be that too much of our brain power is devoted to selling soap and too little to creative effort in science, in thought, in the public service. If I were Mr. Khrushchev it would be this above all that would give me confidence that my system was going to work.

He adds this:

> It is the proper role of Government to step in and alter the incentives; simply to leave advertising less attractive and then leave every business to run its own affairs—

Apparently that is the idea. That principle was advocated last night by the Minister in the course of his remarks when he said "We do not intend to interfere with freedom; this is actually being done for the good of Canadians". Mr. Chairman, all through the ages those who would direct and control are always activated by the highest purposes, filled with a surplus of idealism. And having those qualities they do not want mankind to be deprived of the benefit of their views.

There are many other quotations which I might put on record. I do not intend to do so at the moment. I say, first of all, that these principles which are being applied are not those of the O'Leary Commission; they are based upon something entirely different, the philosophy of social security to which I have just referred.

The freedom of the press in a society of free men depends upon commercial freedom of the press, freedom from direct or indirect Government subsidies or other forms of control. The irony of the present situation is that the Government purports to assist the press by making it impossible for outside competitors to compete. The fact is that these budgetary proposals will bring about a degree of Government control not known in this country, and not known in any country today which has inherited the British tradition of freedom.

I sum up by saying to the Government in the strongest possible terms, withdraw this measure. In 1964 the Government did withdraw, and various Members of the Liberal party sitting opposite today were quoted as being entirely opposed to what was then being considered. I suggest that today those same people should speak out in the strongest possible language against a course of action which, will inevitably lead, to a degree of control over the press which cannot and ought not to be countenanced by Parliament.

Over the years I have spoken on behalf of freedom. When I argued for a Bill of Rights, those sitting opposite said such a bill would have no purpose and no effectiveness. The law books say otherwise. Indeed, only yesterday it was announced in the press that it was expected the United Kingdom would shortly be bringing in a Bill of Rights modelled on the Canadian Bill of Rights.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: As one who believes in freedom, as do hon. Members in all parts of this House, I make an appeal to the Government. Throw this legislation overboard. Remove it. Throw this bill out. Withdraw it, now. Every invasion of freedom during the years has been made by people who were filled with enthusiasm for worthy objectives but who had not thought the matter through. Every invasion of freedom, begun as a pathway, has become a highway. It is because of this that I hope the Minister, having already displayed on so many occasions a capacity for withdrawing from what was not proper or appropriate, will act so as to gain the admiration of Canadians generally as well as that of the press which believes in freedom—as he believes in freedom—and as do the people of Canada as a whole.

Mr. Olson: I do not intend to deal with all the clauses in this income tax resolution be-

fore us. Some of my colleagues will deal with particular sections of it.

I may say at the outset that we in this party are extremely disappointed at some of the omissions from this list of amendments to the Income Tax Act. We had hoped, and I think with some justification, that there would have been provision in the budget for adjusting corporation income tax as related to privately owned power corporations so that a measure of justice might be given to power users right across the country. We know that power producers which are Crown corporations or which are provincially owned are not subject to corporation income tax. Their cost of operation is therefore substantially lower and the saving is passed on to the consumer.

We noted that shortly after the Minister's budget speech had been delivered Premier Smallwood of Newfoundland had something to say about this serious omission. I am not sure whether the Minister has information about the intention of the Federal Government which has not yet been made known to this House. But he did say in effect—I do not have his actual words before me—that the budget speech was not the occasion on which to make an announcement on this subject.

I questioned the validity of that statement at the time because it seemed to me that the budget speech was a most appropriate occasion for the Minister to make an announcement dealing with corporation income tax in this particular field. Anyway, the Minister has told us on several occasions that no basic or significant changes in the Income Tax Act or the tax structure generally are intended until the commission which is studying all aspects of this matter has reported.

This report will perhaps be ready for the Minister of Finance and his officials before the next budget is prepared. We certainly hope the hon. gentleman will be able to make an announcement at that time correcting the injustice to which I have referred. I believe that three provinces only—Newfoundland, Alberta and one of the Maritime provinces; Nova Scotia, I believe—are affected by this situation. All the other power companies have been taken over by the provincial governments concerned. We certainly hope it is not the policy of the Federal Government to impose its corporation taxes in such a way as to force provincial governments to take over privately owned power generating corporations. That is what they did for British Columbia, and we hope this will not be the situation in the future.

[Mr. Olson.]

• (4:40 p.m.)

We also hope that if Premier Smallwood knows something about the intentions of the Federal Government which has not as yet been revealed to this House, the people of Alberta, for example, will not have to wait for the development of the Newfoundland-Labrador project in order to obtain the kind of justice to which they are entitled. We wonder whether the Federal Government is going to withdraw this tax in time for Brinco to go ahead with the enormous power development on the Churchill River at Churchill Falls, because it seems to us that this would be an important inducement to accelerate action in respect of this very large and important power development project.

I should now like to deal with paragraph 10, which in effect says that the cost of landscaping of property by a taxpayer for the purpose of gaining income may be deducted from income for the purposes of determining taxable income. It also states that the cost of clearing land by taxpayers for the purpose of gaining or producing income shall be deductible. I have asked the Minister of Finance on at least one occasion whether land levelling for irrigation purposes will be covered by the provision in respect of either landscaping or clearing of land for drainage; that is, laying drainage tile. So far he has not given a clear answer to that question. I certainly hope he makes this clear, because in the irrigation districts of Canada—I am speaking now particularly of southern Alberta—the cost of land levelling is a major expense in the operation of farms.

What is more important, Mr. Chairman, is that proper land levelling in these irrigation districts increases the potential production in some cases by more than 100 per cent. That is possible because of the even distribution of water. What is also important is that the cost of spreading water across lands that are properly levelled is substantially less than in respect of undulating surfaces. This is a legitimate cost of production in these areas which up to this time has not been allowed as an expense against income.

What is even worse is that there is no capital cost allowance for land; therefore even the actual cost of levelling cannot be included in any category in respect of which depreciation can be claimed. No depreciation is allowed in respect of land. If the cost of land levelling is to be allowed within the

provisions of this resolution—and I note that that is the case, as indicated by the Minister nodding his head—this is a correction of an injustice that has been in existence for many years.

Perhaps I should also point out that the hon. Member for Kootenay West has been an advocate on behalf of irrigation farmers for many years, and I am sure he is very pleased to note that these costs will be covered by these amendments to the Income Tax Act.

Subparagraph (d) of paragraph 10 states that a taxpayer may deduct from his income the cost of making representations to Governments, municipal or others, and public authorities in connection with a business carried on by a taxpayer, including the cost of representations for the purpose of obtaining a licence, permit, franchise, trade mark and so on. There are some very legitimate cases in respect of which the costs of representations to various levels of Government in order to obtain permits, licences and so on should be allowed, but I envisage some dangers or abuses particularly if the Government accepts any or all of the so-called costs of representation. It seems to me that this particular provision should be entitled "the lawyers' amendments", because surely it will be counsel and other advisers who will benefit most by this provision which will allow legal fees and other payments to be deducted in calculating taxable income. I hope there will be the same sort of discretion used in respect of these allowable deductions for representations that is used in respect of the cost of entertaining and that sort of thing.

I also envisage the possibility of abuse particularly in respect of—

Mr. Cowan: You would be blind if you could not see that.

Mr. Olson: I am sorry, I did not hear the interjection.

Mr. Cowan: You would be blind if you could not see that possibility.

Mr. Olson: Mr. Chairman, what the hon. Member for York-Humber has said is quite true. One would be blind if he could not see the possibility of abuse, yet there is some justification for these costs being deductible. However, I hope that when these costs are presented as deductions there will be safeguards provided in such a way that there will not be serious or severe abuse.

Mr. Chairman, there are a number of other points in respect of these resolutions we wish to deal with, and other Members of this party will do so at a later stage. We intend to wait until the bill is introduced before we carry out any detailed examination.

Mr. Otto: Mr. Chairman, I intend to confine my remarks about this resolution to that portion which deals with periodicals. I do not intend to deal with this provision in that great material sphere, but rather to come down to earth.

I was very surprised to hear the right hon. Leader of the Opposition present his views so strongly in opposition to this resolution, considering the statement which appeared on the editorial page of the Toronto *Globe and Mail* of May 27, 1965, under the heading "The author protests". The paragraph to which I have reference reads as follows:

> The irony, of course, is that Mr. Diefenbaker is the author of the principle which Mr. Pearson would translate into law. It was Mr. Diefenbaker who, after considering the report of the O'Leary Royal Commission on Publications decided that the Government should attempt to control magazines by telling magazine advertisers where they should spend their money.

I know for a fact also that it was the hon. gentleman's suggestion that *Time* magazine and *Reader's Digest* should be exempted from this type of legislation. For those reasons I was very amazed to hear him protest so strongly.

Getting down to brass tacks, if I may use that expression, the problem is not a complicated one but a rather simple one.

• (4:50 p.m.)

As you know, Mr. Chairman, there are two types of periodicals. There are the consumer magazines and the business magazines. There are Canadian consumer magazines like *Maclean's, Saturday Night* and *Star Weekly*; and United States magazines such as *Saturday Evening Post, Time, Reader's Digest* and so on. These Canadian magazines are the ones in trouble, specifically *Maclean's, Saturday Night* and *Star Weekly*. These three magazines are in deep financial trouble. Two of them, *Maclean's* and *Star Weekly*, have other problems, but I shall come to this point later in order to indicate how this legislation will assist these magazines to stay in business.

Many Canadians are not aware what are the business publications. For example, there is a new magazine called the *Executive*, and I am sure the Minister will know it. It is the sort of magazine which is printed on very expensive paper and usually read within the

confines of the Rideau Club or the Albany Club.

Mr. Gordon: Is that a crack at me?

Mr. Otto: Not at all. This is a problem magazine. In fact most of the Canadian business publications are problem magazines. We also have trade journals. In most trades or callings there are a number of publications, but in the trade magazines no effort need be spent to induce the public to read the ads. Everyone reads the ads and no one reads the editorials. In consumer magazines everybody reads the editorials and nobody reads the ads.

Now, the main problem is this. The three specific magazines to which I referred, the consumer magazines, cannot make any profit, which is why they are in trouble.

An hon. Member: Because of competition.

Mr. Otto: Not because of competition, as an hon. Member says; it is because of unfair competition. To get down to the truth of the matter, this unfair competition comes from two magazines at the present time. *Time* and *Reader's Digest. Time* magazine is a completely independent United States magazine which stands foursquare against two things, political partisanship and the Democratic party. *Reader's Digest* has been called the poor man's "Paradise Lost". These two magazines have their printing costs borne in the United States, and their periodicals overflow into the Canadian market and enable them to undersell advertising which would normally go to Canadian magazines and periodicals.

I will not say much about *Time* and *Reader's Digest;* as I have said, the right hon. gentleman opposite has indicated that these two should be exempt. This is a *fait accompli,* in that they are already exempt; but it is not our fault that the right hon. gentleman pinpointed these two magazines for exemption. However, I wish to point out how this legislation will be of assistance to other magazines.

Along this line of thought I should like to refresh the minds of hon. Members in regard to trade publications. *Maclean's* is published only because its owners publish trade magazines which are profitable, and it is the profits from these trade magazines which keep *Maclean's* going. Even at the present time a very greedy eye is cast on these profitable Canadian trade magazines by United States concerns. I could name one, but I think most of us know which it is. They would like nothing better than to grab hold of this wonderful, profitable trade and business magazine market.

I am not saying for one moment that if we help these magazines to continue in business everything will be all right within a number of years. The fact is that the magazines themselves will have to improve and find new formats and new ideas. Canadian magazines will not be able to save their souls through this legislation. But when you consider that in the United States the advertising dollar is moving into the printed page, into the printing media, and that magazines in the United States, through efforts on their own behalf, have been able to pull themselves up by their own shoelaces and are now out of the red into the black, I dare say that the same situation will apply in Canada given time. But it will not apply if Canadian consumer magazines go into bankruptcy or cannot remain in existence while waiting out this time. I have the greatest confidence that the editors and publishers of our periodicals will exercise every effort, with the assistance they are given, to stay in business, and I think they will.

Mr. Grégoire: Mr. Chairman, may I point out that we do not have a quorum. There are not 20 Members in the Chamber. If you will take a count you will see we do not have 20 present. Therefore I move we do now adjourn.

The Deputy Chairman: Order. I shall ask the Clerk to count the Committee. I understand there are 21 Members present. Therefore I declare a quorum to be present. The hon. Member for York East.

Mr. Otto: Thank you, Mr. Chairman.

Mr. Grégoire: Mr. Chairman, there are only 21 because some Members came in during the time of the count.

The Deputy Chairman: Order. According to the rules of this Chamber, when the House is being counted Members are permitted to enter or to leave.

Mr. Otto: Mr. Chairman, I know the hon. Member who just asked for a count is anxious to get away, but I will not detain him much longer.

There is another problem facing our periodicals, and it is not a United States or a foreign problem but a Canadian problem. I should like to illustrate some of the difficulties our magazines get into. We note that our weekend magazines are not only surviving but are

making a great deal of money through a completely new method of distribution. I am not saying that all magazines will have to adopt it, but given enough time they will be able to do so. But unless this legislation is implemented, more and more United States-owned magazines will adopt the same principle now being used by the two magazines I have mentioned, and will eventually be able to undercut the advertising dollar. In that event our Canadian magazines will be unable to continue.

There is one other matter I should like to raise. At the present time some of the parent companies in the United States advertise Canadian companies and Canadian goods in United States magazines which overflow into Canada. Although this cannot be termed Canadian money directly, indirectly it is because these parent companies in some cases charge their Canadian subsidiaries for a portion of the advertising dollar. I think the terms of this resolution rectify this position, and incentive will be given to permit some of the advertising dollar to stay in Canada.

If I thought for one moment that Canadian periodicals had no chance to survive I would not support this legislation, but I am sure they do have a chance. It is well recorded that the magazine is coming back into its own. I feel confident that Canadian magazines will do everything they can to devise publications which are readable and sell advertising; they just need a little bit of time. This legislation will provide the time. It will allow Canadian magazines to remain in Canadian hands and to survive the period they have been going through. As our population increases we will then be able to have not only three or four Canadian magazines, but quite a few more. The fact is that in proportion our population is increasing more rapidly than that of the United States and the number of Canadian readers is also increasing more rapidly. I honestly and sincerely believe that the Canadian periodical industry will survive, largely due to this legislation.

• (5:00 p.m.)

Mr. Horner (Acadia): Mr. Chairman, in rising to speak on the income tax resolution in Committee of Ways and Means may I first of all say that the defence put forward with regard to the newspaper control legislation is at best the weakest that could have been offered and represents a very poor defence of the Government's intention to show favouritism toward two wealthy United States magazines which, as was said earlier, are masquerading as Canadian by publishing Canadian editions.

There are a number of things that concern me about the income tax resolution in particular. When the Minister brought down his budget he announced a number of proposed changes that cannot be found in the resolution, and may not be in the bill when it comes before the House. Actually we are all well aware of the fact that the budget gives notice of the Government's intentions and the bills that follow carry out the intentions announced in the budget.

The budget White Paper said that we are now in the fourth year of an expanding economy which started in 1961. I might add that with the devaluation of the Canadian dollar and the huge grain sales to Communist countries the expansion of our economy has continued. However, in the budget the Minister said that he feels the economy needs further stimulation and he has $250 to $275 million to pour back into the economy, or perhaps I should say that he proposes to take that much less from the economy through taxation. He suggested in the budget and in his outline of this resolution that the best way to do this is by an income tax reduction of 10 per cent. As the hon. Member for Edmonton West pointed out, this was perhaps the best political way to make a reduction in taxation, but it was a very poor way from the point of view of stimulating the economy of the country. The Minister could have turned to many other avenues if he really believed that the country needed further stimulation at this time.

Certainly it is a fact that the cost of farm loans has been increased tremendously. I wonder whether the Minister considered making any changes in the Estate Tax Act. This would have permitted more money to be poured back into the economy than will be provided by this paltry 10 per cent reduction in income tax, which does not apply to large incomes. Land prices have tripled in the last five years and to some extent this has been brought about by the easing of credit for the purchase of land. This has caused estate taxes to become out of proportion with the real value of estates now subject to taxation, or that will be in the future. Certainly such a move would have resulted in a greater amount of money being poured back into the economy than is represented by the amount of $250 million to $275 million, because this amount is being spread so thinly that it will provide very little stimulus to the economy of the country.

As was suggested by the Minister in his speech yesterday, he could have reduced the sales tax on production machinery. In reviewing the budget speech one sees that the Minister pointed out there that in the past few years costs of production in Canada have risen to a greater extent than in the United States. In what position does this place Canada? In a very poor competitive position in relation to our greatest competitor. We import more from the United States than any other country and we export more to the United States than to any other country. Therefore we should take careful note of the relationship between the cost of production in Canada and the cost of production in the United States.

The Minister admits that costs of production have increased greatly in Canada and are greater than in the United States. Therefore it is obvious that one of the costs he should have removed in this resolution is the 11 per cent sales tax on production machinery. But no, he did not do so. Such a move would not get him too many votes if an election were called. He felt that a 10 per cent reduction in personal income tax would be the best move for this purpose. He felt that a reduction of $250 million spread across the country would affect more people, and this was his greatest concern. I think he has made a great error in this regard. He may be stimulating the Liberal party by this 10 per cent income tax reduction, but certainly he is not stimulating the Canadian economy. One could add that perhaps that was his intention in any event.

I do not want to deal with some of the provisions in the resolution at this time, but I should like to refer to paragraph 10. As a rule, changes proposed in budgets are for the purpose of directing the economy and, as we always hope, improving it. Sometimes they also plug loopholes. It would appear that paragraph 10 of the resolution is opening up something rather than plugging a loophole. In subparagraph (a) of paragraph 10 the words "to a person with whom the taxpayer is dealing at arms length" are used. As suggested by other speakers, anybody who has any dealings with a lawyer soon learns that the term "arms length" is one that makes for a great deal of debate. What is dealing at arms length, and what is not, is always questionable. Subparagraph (a) is in these words:

> (a) to a person with whom the taxpayer is dealing at arms length and who is the lessee of property owned by the taxpayer, to obtain the cancellation of a lease on such property.

[Mr. Horner (Acadia).]

In other words, the purpose is to provide an income tax exemption, but the whole clause hinges on the phrase "at arms length" and, as is often said, it certainly opens up a can of worms. Certainly it opens up the avenue to many a loophole.

The second subparagraph is no better. It provides an exemption for an outlay or expense for landscaping property used by the taxpayer for the purpose of gaining or producing income. There is nothing at all to stop a person from doing an expensive landscaping job on a home he is now leasing, claiming the cost as an expense and then moving into the home the following year or two years later.

It seems odd that the Minister went out of his way either in the last budget or the one before to prevent businessmen from claiming what he said were unnecessary business expenses, and yet he is now taking this action. I know he put a ceiling on expensive cars. He said that businessmen do not have to buy expensive cars and that anything over $5,000 would not be allowed as an exemption. Then he went on to say that businessmen's travelling expenses and so on would be looked at very closely by the Income Tax Department. Now, in this budget, he is saying that you cannot buy an expensive car, but you will be allowed to do a tremendous job of landscaping if you wish. Really, all we are doing is plugging loop-holes one year and opening new ones the next.

• (5:10 p.m.)

Paragraph (c) is so poorly worded that it is not clear. It refers to the clearing of land or the laying of tile drainage for the purpose of carrying on a farming business. This will be considered for exemption. You immediately wonder if this includes the levelling of land. What is the farmer going to clear the land from—bush, rocks, or is it merely rough terrain? The hon. Member for Medicine Hat thought he saw the Minister nod his head in agreement when the hon. Member suggested it might include the levelling of land for irrigation purposes. One would certainly hope so. Why is it not set out in the paragraph? Why is there a reference to the laying of tile drainage? Why would not the construction of a drainage ditch be every bit as good? Certainly this is another method of improving farmland and thereby enabling the farmer to increase his income.

Then, in discussing changes in the Income Tax Act which might benefit the agriculture industry, one recalls that in the budget speech

the Minister suggested further income tax changes might be made to benefit that industry. He said, as reported on page 436 of *Hansard*:

> I am also proposing some changes in capital cost allowances to help farmers who are facing difficulty in marketing corn and other grain crops in areas where there is a shortage of grain storage facilities.

The Minister goes on to suggest that under this plan provisions will be incorporated in the regulations of the Income Tax Act. I say to you, Mr. Chairman, why are these provisions not spelled out in the bill? I believe that Government by regulation really defeats democracy. No one sees the regulations until they are passed. No one sees the regulations until they are in effect or until he comes up against them. Then people ask why someone did not suggest changes in these regulations. I am firmly convinced that government by regulation opens up an avenue around democracy and I, for one, do not like it.

In the same budget speech the Minister goes on to suggest another avenue which will be opened up around democracy. He states, and I quote:

> An important tax concession will also be provided to encourage industry to take new steps to prevent the waste products from their operations polluting our streams and lakes. This will take the form of an amendment to the Income Tax Regulations to permit capital expenditures made until the end of 1966 by businesses primarily for the purpose of preventing water pollution to be deducted at the rate of 50 per cent.

Here again we have changes announced to the Income Tax Act, but little more will be seen of them, as I understand the procedures in the House. They will be implemented in the form of regulations and be completely lost to the House and to the people until they come face to face with them.

Returning to the provision concerning grain storage, we note that new grain storage facilities constructed during the period May 1, 1965 to December 31, 1966, will be covered. In other words, a little over a year and a half will be given for the construction of these grain storage facilities. The Minister goes on in his budget speech to suggest that after the construction of these facilities is completed on December 31, 1966, a period of four years will be given for write-off purposes in so far as income tax is concerned. Last week end the Alberta Wheat Pool opened a new grain elevator in my constituency. Since the building was opened after May 1, 1965, I wonder how the regulations will be applied to that grain elevator?

The Minister suggested, as will be seen from page 436 of *Hansard*, that grain storage facilities may be built by individual farmers or taxable co-operatives. In other words, the wheat pools could take advantage of this provision. Surely, the Minister should give us some idea—he has not as yet—as to when the regulations will be applied. If a building were constructed after May 1, 1965 but not completely paid for, would the regulation apply to the whole of the cost of the building, or only to that portion which had been paid? Surely we should have some opportunity to debate this provision and perhaps enlighten the Minister and the department concerning the best possible regulations to facilitate the grain industry in both the corn belt of Eastern Canada and the wheat growing areas of the Prairies.

The Minister referred to "grain storage facilities". The question immediately comes to mind, what is going to be classified as "grain storage facilities"? Do we mean an elevator, a feed mill or some temporary building? A building may only store grain for a matter of a month, six months or a year, but the primary purpose of an elevator alongside a mill may not be considered, under these regulations, to be permanent grain storage facilities. I wonder if the Minister or his department have considered the possibility of such conditions arising? Surely, we should be given, before we pass this resolution, some idea of what the changes in the Income Tax Act will be. Surely, we should be given some further light with regard to the proposed provisions in the budget which could prove to be helpful to the farmers of Western Canada, as well as Eastern Canada. This is especially true in the light of the plans that are out for rail line abandonment, which may or may not be proceeded with this year or next year. It may be that companies in Western Canada would be well advised to make a drastic move and rebuild a great part of their grain storage facilities during this period of 16 or 18 months. I do not know.

Surely, one could judge the possibilities better if the Minister gave the details of the proposal in the resolution now before us. Surely if this means government by regulation it defeats, to a large extent, proper representations on given subjects such as this. As I said, in effect this is an avenue around democracy and I do not approve of it. I hope that later in this debate the Minister will deal more explicitly with these matters.

Paragraph 10(d) covers:

• (5:20 p.m.)

—the cost of making representations to a government, municipality or other public authority in connection with a business carried on by the taxpayer, including representations for the purpose of obtaining a licence, permit, franchise or trade mark.

One wonders again whether the Minister is plugging a loophole or opening one. In previous budgets he attempted to plug loopholes respecting travel costs and expense accounts generally.

The same generalization would apply to paragraph 10(e). One could travel to any part of the country ostensibly to purchase a farm or a building site, and include a holiday in the trip. Under this provision it would be up to the Income Tax Department to rule on the nature of the trip. It will be at the discretion of the department, and this is placing more power in the hands of the bureaucrats. Subparagraph (c), as the Minister said, covers drainage, ditching, etc., so there should be no difficulty there, but grain storage facilities should be included in that subparagraph.

In the world in which we live it is not a fight against capitalism or communism. It is the fight of democracy against bureaucracy, and these regulations are putting more power into the hands of the bureaucrats.

The hon. Member for Prince Albert has dealt adequately with paragraph 10. One wonders where the Government and the Minister are going when on the one hand they espouse free trade without tariffs, yet under the Bank Act and the income tax resolutions they espouse Canadianism. This is economic nationalism and the danger is retaliation by other countries. That has always been the problem in the past, and we have seen an example of it in recent legislation passed by the United States. The Liberal Party should not advocate economic nationalism to the point where it will eventually bring about a detrimental effect on the economy of Canada.

Mr. Fisher: Mr. Chairman, I want to confine my remarks to paragraph 19, and I want to take my time approaching it. The matter is complicated. I suppose one should begin by congratulating the Minister for gaining some courage from last year. Last year the resolutions affecting periodicals were in the name of the Prime Minister, possibly because the Minister did not find himself able to accept the resolutions as they were. I do not know whether to compliment or insult him for the change of face he seems to have made, although one must admit there is a change from the resolutions of last year.

[Mr. Horner (Acadia).]

I assume the Minister was not anxious to put his name to the resolutions last year because in effect they were to Canadianize both *Time* and *Reader's Digest*. We all know there has been a considerable lobby on this issue, and almost all Members have been approached. I have had assurances from quite a number of Liberal Members that they will never put themselves in the position of supporting or voting for a measure that would Canadianize *Reader's Digest* and *Time* magazine and we hope at least once, and probably twice during this debate, to give them an opportunity to express themselves.

Mr. Moreau: Can we assume the hon. Member is going to devise some way to split the magazine and newspaper parts of the resolution?

Mr. Fisher: The hon. Member is talking about a technical difficulty that is a very real one. The word bastard, aside from its reference to birth, is also used in legal and typographical terminology, and I think we have to call this a proper bastard of a paragraph.

• (5:30 p.m.)

I would have welcomed more candour on the Minister's part last night in his definition of the measures which are being taken here to protect Canadian newspapers against getting into the ownership of non-Canadians. I thought at that time he had a very good opportunity to give us his own estimate of the reasons why he and his Government had decided to Canadianize *Time* and *Reader's Digest*. He could have made a good case for not Canadianizing *Time* and *Reader's Digest*. The Minister talked last night about being consistent with the policy of the previous Government. Since when has he been proud of being consistent with the policy of the previous Government? Since when has he vaunted such consistency as being the mark of good legislation? I suggest he could have taken the other stand, namely that it was the legislation of the previous Government which ended the original legislation which *Time* and *Reader's Digest* were howling about. Then, struck by the disasters which were occurring to Canadian publications as a result of its action denying the Liberal administration's restrictions on these two publications, the Conservative Government appointed the O'Leary Commission. It seems that both the previous Government and this Government got more than they bargained

for because gentlemen like Mr. O'Leary and Mr. Johnson favoured a Canadianism which has some parallel, I suggest, with the kind of Canadianism of which the present Minister is at times accused.

So the Minister tells us that this legislation is consistent with the legislation which the previous administration intended to bring forward. But it is not consistent with the stand taken by the Liberal Government prior to 1957 which recognized the particular problem created by *Time* and *Reader's Digest*. Nor is it consistent with the views of the Royal Commission itself, and I hold it is not consistent with the views of Members in all parts of this House, including a number of Liberal Members.

I should like to talk about the aspects of this which concern the periodicals before looking at the newspaper field.

Mr. Moreau: The hon. Member is not suggesting he is consistent?

Mr. Fisher: I heard an interjection from over there by that chap who was befrazzled by what happened to his constituency today, and I will excuse him.

In the main, Mr. Zimmerman of *Reader's Digest* led the lobby in the periodical field for *Reader's Digest* and *Time*. *Time* has been a little cuter and less interested in a popular approach than *Reader's Digest*. *Time* would much prefer direct contact with Cabinet Ministers, particularly with Ministers like the Minister of Industry, who has a relationship through his constituency with the operation of these magazines. To give Mr. Zimmerman credit, I think he is the handsomest and most affable lobbyist I have encountered, with one of the best illustrative and prose presentations I have encountered. On the other hand, the main lobby against *Time* and *Reader's Digest* and for Canadianism in the periodical field has been the people who sponsor *Weekend Magazine*, Mr. Farrell and Mr. Walker of the Montreal *Star* and the *Family Herald Weekly Star*.

There are one or two points which could be made about these two lobbying groups. One is that of all the periodical publications in Canada, *Weekend Magazine* is in the best health. That is quite apparent to the present day, so one can hardly accuse *Weekend Magazine* of trying to advance its own self-interest—though Mr. Zimmerman makes a good effort at doing so—since it already has such a solid market across the country. As a matter of fact, it has such a good market through so many papers that its success is one of the main reasons, at least in my opinion, why the Toronto *Star Weekly* has suffered a decline in circulation from one million to less than 700,000 copies. So this particular anti-*Time*, anti-*Reader's Digest* group, while having a self-interest, has not such a degree of self-interest that its arguments do not extend to all other Canadian publications, including *Liberty* and *Maclean's* magazines.

The real oddball in the lobby field was the role of Maclean-Hunter publications. I suppose other hon. Members have encountered them. One month you are lobbied, and the next month you telephone Maclean-Hunter and you cannot even get an idea what their policy is. I have come to this conclusion: Maclean-Hunter accepted one of Mr. Zimmerman's arguments that the proper thing to do was to reach some stability in the magazine field—"let us stop fighting with each other and organize a magazine bureau to make advertising in magazines more popular, supplement each other's co-operative efforts and wrest back revenue from television, radio."

Mr. Moreau: Is *Saturday Night* included in that argument?

Mr. Fisher: Yes, *Saturday Night* is included in that argument. There is one other factor. It seems to me that since the really profitable business of their operation is in the trade field, Maclean-Hunter began to get very frightened about the prospect of McGraw-Hill, the most powerful and the most able of the United States trade publishers, moving into Toronto. There were rumours they had taken a lease on certain land in the Toronto area and were planning to get into this field.

Magic to find, there is a provision in this legislation which will prevent United States trade publications coming in from now on. It looks to me as though Maclean-Hunter were prepared to keep quiet about *Time* and *Reader's Digest* because the trade publication threat from the United States had been blocked. And I think they were suborned to a minor degree by Mr. Zimmerman's arguments that in co-operation lies a golden future. But the reality of the situation at the present time is that *Reader's Digest* and *Time* are still with us and, I suggest, they are not Canadian publications.

I recognize the kind of pressure they can apply. I have a paper mill in my constituency which produces the paper for *Time* and

Reader's Digest. It was almost like magic how suddenly the management and workers there, including the unions, began to fire in correspondence to me demanding that *Time* and *Reader's Digest* be left alone as good Canadian publications consuming good Canadian paper—particularly that manufactured in the constituency of Port Arthur.

Mr. Moreau: Surely the hon. Member is not suggesting that the union was seduced, too?

Mr. Fisher: I am suggesting that where dollars and cents are concerned it is easy to lose sight of one's national ideals. I am firmly convinced the loss in terms of the paper market would, in time, be filled by Canadian publications if *Time* and *Reader's Digest* were put in their proper places.

An hon. Member: You had better worry about your own seduction.

Mr. Fisher: There are more ladies on the other side of the House than we have over here.

The point which needs to be made as we look ahead to the future is that by this legislation *Time* and *Reader's Digest* are set up for the foreseeable future in such a fashion that their main editorial content can continue to be drawn, in the main, from outside the country. I think anyone with any sense would agree, on looking at these United States publications, that this content is not produced in Canada in the main. I feel very strongly that this legislation should specifically wipe out parts of 12A(2). Later on we will attempt to move an amendment which will do this, although my colleagues and I are finding it difficult to draft. We intend to move an amendment which will specifically point to *Time* and *Reader's Digest* and classify them as non-Canadian publications under the intent of this resolution. At the very least, when this amendment is moved we should receive from the Minister a thorough explanation of his conversion from a Canadian nationalist, the author of *Troubled Canada,* the projector of the Canada Development Corporation, the architect of the Canada Student Loans Plan and the author of *Let's Buy Back Canada,* to a man who believes that *Reader's Digest* and *Time* magazine are really Canadian publications. I think we are at least entitled to that explanation.

• (5:40 p.m.)

I should now like to touch upon the newspaper aspect of this resolution. I have been very interested in this because I happen to know quite well the publisher of the Toronto *Telegram,* John Bassett, and a few other publishers with whom I have had some contact. One of the things that intrigues me is the argument advanced by a few publishers that this provision that no presently Canadian-owned newspaper shall be sold to or allowed to get into the hands of a foreign corporation is a threat to the freedom of the press. I cannot for the life of me see that there is any threat in this regard to the freedom of the press.

I do understand why Lord Thomson is raising a bit of a fuss, because his feelings have been hurt as a result of what happened to him in relation to Canadian citizenship. After receiving the "lordship", which he sought for so long, because of the regulations of our Government he had, in a sense, to dissociate himself from Canadian citizenship.

I find Lord Thomson the most attractive newspaper publisher I have ever encountered. Whenever I have gone to see him he has taken out his books and shown me how much money he is making in his various operations, and he has done so with such delight that I can understand why universities such as the University of New Brunswick and the Newfoundland Memorial University fight for the right to have him as a chancellor or donor.

This is a man who has gone from a start up in Timmins—I always felt he should be Lord Porcupine of Timmins—to those great places of the world, to the point where he often merits a full page of coverage as the greatest press lord of all in such august periodicals as the New York *Times* and New York *Tribune.*

Mr. Lambert: Do not be jealous.

Mr. Fisher: The hon. Member suggests that I should not be jealous. Let me assure him and other Members in this House that I genuinely find Lord Thomson to be one of the most interesting and pleasant persons I have ever encountered because he is so excited and pleased at being so successful. I think it is wonderful that a man can go from being a defeated Conservative candidate in the east end of Toronto to a lord in the House of Lords in England consorting with the great and mighty, visiting Russia on even terms with the heads of state.

Lord Thomson has a world-wide operation, and naturally he has the kind of holding company argument and the typical attitude of the businessman of large scope who does not want national boundaries to get in his way. Lord

Thomson looks upon newspaper publishing primarily as a business. You will remember what he said in England. He wanted to set up a Labour newspaper, if that was possible, not because he was Labour in his attitude but because he thought there was a market for that kind of newspaper, and it did not bother him to be the owner of a Labour or Socialistic newspaper, because the main thing was to have the ownership and advertising revenue.

This kind of publisher is a rarity, I grant you, not particularly caring what axe he is going to grind in his newspaper as a whole; but this attitude also reveals how little nationalism, particularly from a Canadian point of view, we are likely to get from Lord Thomson; and that is a worth-while revelation. It seems to me that his objections are a perfect example of the international operator, rather than a Canadian citizen.

I sometimes feel that when Mr. Bassett complains, it is because his conscience is bothering him in connection with his television operation. I do not know whether he was forced to, but he certainly did go to United States organizations to borrow capital in order to keep the television operation going. My point in respect of the publishers' objection is that if foreign ownership, as a principle, which many of us including the Minister of Finance and Members of this party advocate, is wrong because it strikes at the future of our nation and our national ethos, then this also applies to banks and to almost any field, primarily and essentially to the field of communications, through which an influence can be brought to bear on the culture, attitude and philosophy of the people.

Anyone who argues that this resolution, in so far as it applies to newspapers, should not be introduced, has to accept the fact that if it does not now, it is only a question of time until the kind of rationalization of capital that exists in Northern America and in the western world will lead to the accumulation of a Canadian chain of newspapers by an outside organization. Some of you are entitled to ask: Would that be bad? If I could get the publisher of the New York *Times* to come up here I think he might be a preferable owner to Lord Thomson, in terms of the kind of newspaper we would have. However, the whole point is, in essence, what are we going to get in terms of ownership; and that would not be Canadian ownership.

If it is vital to have a C.B.C., then it is vital to have Canadian publications owned by Canadians, wherever possible, and I support the proposition very strongly that this legislation, which will restrict the sale of Canadian newspapers in future to foreigners, is an excellent bit of legislation. I cannot see how it is going to affect the freedom of the press. It will affect the freedom of publishers, and the freedom of the publisher to dispose of his goods by selling to a foreigner.

One must recognize that this could cost the present Canadian publisher a lot of money. It is quite conceivable that the greatest capital resources of Chicago or New York, or organizations from those areas would be able to come and offer more for the Toronto *Globe and Mail* or the Montreal *Star* than any Canadian group; but even in that regard there is no way that one can look at this situation and envisage how, even if the largest of Canadian newspaper operations came up for sale—I suppose the largest of all operations is the Southam operation—it would be beyond the resources of a group of Canadians; and I am sure there would be purchasers.

The final point I want to make in connection with this whole matter is in the form of an appeal to the Government and to the Minister, on this question of *Time* and *Reader's Digest,* that we have a free vote. Perhaps it is too much to ask of or too tough on Government supporters to have them stand up and go against this whole question of *Time* and *Reader's Digest,* without something more than a tacit understanding that they are encouraged to do so by the Minister and the Government. I know that to take this approach would be a most unusual course for the Minister to follow.

• (5:50 p.m.)

I know it is unusual to advocate it, but it does seem to me that through lobbying over recent months we have had a very thorough discussion of this matter, and the issue of *Time* and *Reader's Digest* should be settled on the basis of Canadian nationalism and the way it is looked at in the future. I would suggest that the fairest way to get a vote, one which we will be prepared to accept, is to have a free vote, so that we can see on which side of the question Members of the House line up, and whether *Time* and *Reader's Digest* are to be naturalized, corporate Canadian citizens from now and forever more.

Mr. Munro: Mr. Chairman, I should like to speak briefly regarding this particular item in the resolution. Many of us in this party have felt very strongly for some time about

this legislation. I think it would be reasonable to say that the Minister deserves the congratulations of many of us in this House, including many hon. gentlemen opposite who have expressed some feelings in this regard in the past, despite the speech made by their leader today. He deserves our congratulations because we have been talking about legislation of this general nature and with this general theme for five or six years at least. It has been actively discussed, yet nothing has been done.

I might point out that nothing was done by the previous Government. Now something is going to be done, and for that reason I think this is a gigantic step in the direction of preserving the Canadian identity in this media, certainly of our newspapers and to a great extent our periodicals, and as such it should win the commendation of a great many Members in this House.

I should like to refer to some of the arguments made by the Leader of the Opposition today. He seemed to centre his attack upon the legislation on the basis that it was a limitation of the freedom of the press; that it was an inroad into that sacred right which we in this country have always maintained, namely that the press should be free and independent. I too was completely mystified by this approach of the Leader of the Opposition when one considers that it was the O'Leary Commission, a Commission constituted by his own Government, which made findings which were certainly very close to the precise recommendation which has been made by the Minister today and to establish this fact I intend to quote a few paragraphs from the report of the O'Leary Commission.

I am also surprised at what must be considered tantamount to a rather hypocritical stance on this question, when one considers that the right hon. gentleman himself proposed legislation of an almost identical nature in the field of periodicals, providing for similar exemptions of *Time* and *Reader's Digest*. If it can be argued that legislation of this nature is a limitation of the freedom of the press, then it is a limitation on the freedom of the press irrespective of whether Canadian periodicals or Canadian newspapers are involved. The right hon. gentleman when he was leader of the Government, and those who supported him who are present today, espoused the principle which is inherent in this legislation both in respect to periodicals and magazines. I think it is very difficult for any of them to evade that charge.

[Mr. Munro.]

Getting back to the attack made on this legislation on the basis that it limits freedom of press, in this regard I think I should refer to the report of the O'Leary Commission which deals at considerable length with this question. At page 7 of the report, the first paragraph, the following appears under the heading of "The Need for Self-Sufficiency":

That guarantee, we are convinced is vital.

That is, the need for self-sufficiency.

For while Canada and the United States may have the same basic cultures, they each at the same time have domestic and other tasks and problems—political, social and economic—which differ widely. Canada's particular responsibilities, her government, her constitutional structure, her ideals and aspirations, her memories and milestones, even her discords, are facts in her existence which cannot be approached understandingly or usefully by communications media owned or controlled in another country, even though that country be friendly.

I emphasize that the O'Leary Commission refers to "communications media"—generalizing here—owned or controlled in another country, even though that country be friendly. The report goes on to refer to media, and surely no one would argue that newspapers are not part of the communications media. The report states:

Only a truly Canadian printing press, one with the "feel" of Canada and directly responsible to Canada, can give us the critical analysis, the informed discourse and dialogue which are indispensable in a sovereign society.

In view of this it is difficult for me to understand how the Leader of the Opposition and hon. gentlemen opposite can state that the O'Leary Commission did not recommend Canadian ownership of our daily newspapers. I do not know how anything could be more unequivocal in this regard than the paragraph to which I have just referred contained in the report of the Commission itself.

Again we see what I think is an unfortunate and tragic contradiction in policy between the former Conservative government and the speech of the Leader of the Opposition today. Here we have two basic contradictions. The right hon. gentleman attacks the legislation because of the exemption of *Time* and *Reader's Digest*, yet he provided these exemptions in his own legislation. He also attacks the principle of the legislation because it is a limitation on freedom; yet he evolved that very principle when he himself brought in legislation with respect to periodicals. He now denies the main, central theme of the report of the O'Leary Commission, a Commission set up, as I say, by his Government and which reported to his Gov-

ernment. So that the Leader of the Opposition is clearly wrong when he states that the O'Leary Commission did not recommend Canadian ownership of our daily newspapers.

Another, more disturbing facet of the speech of the right hon. gentleman is that it seems to be contrary to the impression he himself created throughout the country. In 1957 and 1958 he was supposed to be a leader who was going to preserve our Canadian identity. He was the one who espoused the cause of Canadian nationalism. He was the one who accused the former Liberal Government of that day of being too pro-American and not sufficiently concerned with the protection of Canadian rights. Yet in this speech he goes against the very grain of that position with which he has always endeavoured to identify himself; Canadian identity. In his speech he has denied the necessity for the protection of our Canadian newspapers as far as Canadian ownership is concerned.

Mr. Lambert: Six o'clock.

Mr. Munro: This makes me realize the inconsistencies in the views of the Leader of the Opposition set out in a recent book which was written.

The Chairman: Order. It being six o'clock it is my duty to leave the Chair so that the House may proceed with the consideration of private Members' business.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED UNDER ADJOURNMENT MOTION

Mr. Deputy Speaker: Order. It is my duty pursuant to provisional Standing Order 39A to inform the House that the questions to be raised at ten o'clock this day are as follows: 1. The hon. Member for Winnipeg North—health and welfare, treatment by doctor of narcotics addict; 2. the hon. Member for Danforth—administration of justice—review of Criminal Code provisions respecting bail; 3. the hon. Member for Winnipeg North Centre—health and welfare—medicare—request for announcement of plan.

• (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, private bills, public bills.

Private Bills

PRIVATE BILLS

PRINCIPAL LIFE INSURANCE COMPANY OF CANADA

Hon. Marcel Lambert (Edmonton West) moved the second reading of Bill No. S-9, to incorporate Principal Life Insurance Company of Canada.

[*Translation*]

He said: Mr. Speaker, the object of Bill S-9 is to incorporate Principal Life Insurance Company of Canada.

The bill originated in the Senate, where it was passed on May 27, after the Banking and Commerce Committee of the Senate had heard witnesses and studied the measure.

I must say, Mr. Speaker, that this proposal to incorporate Principal Life Insurance Company of Canada implements a petition from a group of men from the business and financial community of the City of Edmonton, known as the Collective Group.

[*English*]

The petitioners, Mr. Speaker, as indicated in clause 1 of the bill, are a group of Edmonton businessmen well experienced in the field of finance, retirement and savings plans and insurance. Their experience in this field extends back to 1954. The fact that they are coming to the Parliament of Canada for the incorporation of this insurance company, which will form part of the group known as the collective group, is additional evidence of the very buoyant and burgeoning economy of western Canada. I must say that this is the case not only in the Province of Alberta but also in British Columbia, and there are indications that it applies to other parts of Canada.

If we look at the financial history and economic development of our neighbours to the south, we will see that the corresponding region of their country did not really go forward until they had a nucleus or network of their own financial institutions. I think the progress in Canada is a clear indication of the necessity not only for financial institutions based in Central Canada but also for those operating in western Canada on a branch plan basis. In this regard I might indicate that in the last session of the Provincial Legislature of Alberta seven life and trust companies were incorporated for operation in that province. However, the matter in hand, the incorporation of Principal Life Insurance Company of Canada, comes to the other place and to this House because this company intends, although it wishes to

operate primarily in its first years in Western Canada, to operate throughout the country and even on an international plane.

From the examination of insurance legislation in the past we know that the Government of Canada is tightening up its requirements with regard to capitalization and surplus. The Federal requirement is $500,000 of capital and $500,000 of surplus. In Alberta the requirement is somewhat less but it will be brought up to $750,000 in total by the end of the year. Under Bill S-9 this company is to be incorporated with a capitalization of $1 million, and may I say that no appeal to the public will be made for the sale of its stock.

I invite approval of the bill on second reading and then examination in detail before the Committee on Finance, Trade and Economic Affairs of those witnesses that the committee may wish to examine. The capital requirement for this company is not going to be sought from the public. Already the collective group has set aside $1 million from its reserves for the capitalization of this company.

To deal with the history of the collective group briefly, Mr. Speaker, may I say that during the early years of the operations of the company the collective group expects to concentrate its efforts on the development of Principal Life Insurance Company of Canada in the western provinces. Eventually it is hoped that the company will do business throughout the whole of the country. It already has within its own network 36 offices in Canada and two in the United States, the collective group having had certain companies organized and approved under the appropriate law in the United States. It also has the necessary personnel.

Let us look at some features of this group. First of all, what is the management team? This group, in operation for about 11 years, has shown itself to be quite a successful one. Its assets have increased more than 2,400 per cent since 1956 and in fact they amount to some $56 million according to its 1964 balance sheet. In eight years the number of holders of the group's investment contracts has risen from 4,700 to more than 63,000. The group has its own selling, administrative and investment divisions. So far as the selling of insurance is concerned, this is done through its direct sales force operating out of its various regional offices. May I say that this group was the first to introduce a massive computer into western Canada. It was the first to bring in an I.B.M. system 360 computer. It has a staff of 400.

I do not want to appear to be boasting, but this particular group has also been operating under the Canadian and British Insurance Companies Act for over 11 years. Therefore they have full knowledge of the insurance and trust business and of portfolio administration. Of its 75 head office employees, 31 are university graduates and all of the senior personnel in the accounting department are chartered accountants.

May I say that I heartily endorse the organization of this company. The petitioners are listed in clause 1 of the bill. They are Donald M. Cormie, a practising barrister and head of this financial group, Ralph Perrin Forster, a man of long experience in financial areas, V. R. Stewart, a member of the management group, John W. Kennedy, a solicitor, Kenneth Marlin, a business executive, and Lynn A. Patrick, a solicitor and active counsel for the Principal Life Insurance Company.

• (6:10 p.m.)

It is instructive to note what this group has done in so far as the generation of savings is concerned as compared with other life insurance companies. The savings generated in the Province of Alberta by the collective group in 1964 amounted to $7,379,000. Now, the Sun Life was next with some $5,958,000; Prudential, $3,296,000; Manufacturers Life $3,077,000; Great West Life $2,487,000; Confederation Life had something like $1,336,000. Some Members may say that this represents a lot of money going into life insurance within the Province. However, it is a matter of statistical record that notwithstanding the fact we have a lot of insurance companies in Canada, and more are being incorporated, only 25 per cent of the population of Canada is covered by life insurance. There is, therefore, a great market in Canada for life insurance, for the accumulation of savings and for the placement or investment of those savings funds in the development of Western Canada.

I am sure hon. Members from Western Canada will share my view that moneys made available are then invested by Western Canadian businessmen who are aware of conditions there. I would say the same thing of the Maritime Provinces, British Columbia and the Central Provinces. I do not believe it is necessary to say that Boards of Directors concentrated in Toronto and Montreal necessarily have the best appreciation of the investment opportunities in other parts of the country. Therefore, Mr. Speaker, I invite all

hon. Members to give second reading to this bill so that it may go to committee and we can examine witnesses there.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I rise to give wholehearted support to the request of the hon. Member for Edmonton West (Mr. Lambert) that this bill be referred to the committee on Finance, Trade and Economic Affairs. I should like also to give full support to his statement that the economies of Alberta and British Columbia are buoyant and that it is the natural outgrowth of these expanding and buoyant economies that financial institutions of this kind come into existence. It is a fact also that financial institutions of this kind and other types assist in further expanding the economies of these areas.

I find it rather strange, however, that it is only on rare occasions we can get the hon. Member for Edmonton West and other Progressive Conservative Members to pay this kind of tribute to the Provinces of Alberta and British Columbia. Usually they have some very severe criticisms of these two Provinces. Sometimes I suspect this is mostly because there are Social Credit Governments in both of them. Nevertheless the fact is that the economies of these two Provinces have expanded faster during the past few years than those of any other part of Canada. It is natural that financial institutions should desire and attempt to set up there. We know it may be only a coincidence, but we think there has been some deliberate action and that it is because of these Social Credit Governments out there that the tremendous expansion has taken place.

We hope that there is not going to be some kind of Federal action that will inhibit this expansion. I have received a telegram today from the City of Medicine Hat which had prospects for some new industries establishing there. However, as a result of the designated or so-called development areas announced by the Federal Government, some of these industries are taking a second look at it, especially in view of the inducements and incentives offered by the Federal Government in this other legislation. I know that this might not be the right place to advance this kind of argument. However, I do feel strongly that we do not wish to have discriminatory legislation that will result in having misplaced industries. Surely it is not the purpose of the Federal Government to penalize those areas that have been expanding, and actually hold them back by legislation that makes it difficult for an industry to establish in these fast growing parts of Canada.

I do not want to say more about it, except that we welcome the opportunity to support this kind of financial institution. We hope there will be a change in the attitude of the Government so that we can have the Bank of British Columbia established in Western Canada for the purpose of assisting the expansion of the economy out there as well. We hope that there will be some change of attitude so that this expansion can be helped rather than hindered at this particular time.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

BANK OF WESTERN CANADA

The House resumed from Tuesday, June 1, consideration of the motion of Mrs. Konantz for the second reading of Bill No. C-99, to incorporate Bank of Western Canada, and on the proposed amendment thereto of Mr. Laprise.

Mr. Jack Davis (Parliamentary Secretary to Prime Minister): The few remarks which I have to make tonight are my own and stated as a private Member. I want to say a few words about our banking system. I want to advocate the incorporation of more banks in Canada. More specifically, I want to advocate the incorporation of banks such as the Laurentide Bank and the Bank of Western Canada which we are discussing today. For these reasons, I am opposed to the amendment presented to the House which would affect the incorporation of the Bank of Western Canada by giving the bill a six months hoist. I am opposed to that. I believe that we should deal with this matter. I am referring to the incorporation of the Bank of Western Canada by sending the bill to the appropriate committee of this House in order that it may be considered on its merits. I hope this will happen, too, in respect of the Laurentide Bank.

Now, in approaching this matter of banking, I should like to explain my own position clearly. I should like to say, quite forthrightly, and I think this is agreed to by many other Members in this House, that I am a Canadian first and I am a British Columbian second. I am sure all hon. Members would put the nation before their Province in all cases. This is one of the main reasons I am opposed to the incorporation of banks which are owned by Provinces. It is for this reason

I draw a distinction between privately owned banks such as the Laurentide Bank and the Bank of Western Canada and the proposed Bank of British Columbia which, in this instance at least, would be partially controlled by the Government of British Columbia.

• (6:20 p.m.)

I believe as a second principle we should have less government rather than more government. Whenever we have a choice we should have one level of government involved in the regulation of an activity, rather than several levels of government. For this reason I believe that as money and banking are specifically reserved, under the B.N.A. Act, to the Government of Canada, no attempt should be made to bring the provinces into the business of banking.

The B.N.A. Act is quite clear on this matter. Section 91 reads as follows:

> —the exclusive Legislative Authority of the Parliament of Canada extends to all matters coming within the Classes of Subjects next hereinafter enumerated; that is to say—
>
> 15. Banking, Incorporation of Banks, and the Issue of Paper Money.
>
> 16. Savings Banks.

It goes on further to say:

> Any Matter coming within any of the Classes of Subjects enumerated in this Section shall not be deemed to come within the Class of Matters of a local or private Nature comprised in the Enumeration of the Classes of the Subjects by this Act assigned exclusively to the Legislatures of the Provinces.

In other words, banking, the incorporation of banks, the issuance of paper money and savings banks are matters under the jurisdiction of the nation.

I am sure no Canadian would really want to see different coloured dollar bills in our provinces. In other words, to have a nation we must have one monetary system, and to have an effective monetary system we should have one central bank and chartered banks run by private enterprise which are clearly subject to the laws of Canada. To me that is an effective banking system.

Several hon. Members have referred to the prosperity of Western Canada. B.C. is very prosperous, and so is Alberta, but I do not attribute this entirely to the provincial governments. I attribute it partly to the genius of the people who live there and to the great resources of that part of Canada. In fact, I think the natural advantages of Western Canada far outweigh the natural advantages of the rest of Canada and this is one reason why now, and on into the future, Western Canada will be more prosperous than the rest of the nation. I do not attribute this to any government, and certainly not to any individual political party.

I wish to refer briefly to what the Minister of Finance (Mr. Gordon) had to say in respect to the incorporation of banks. He underlined the fact that the B.N.A. Act clearly assigns to this Parliament exclusive jurisdiction over banking and the incorporation of banks, and he went on to say:

> Even a limited ownership of shares of a bank by another government, whether it be a foreign government or a provincial government, could place such a government in a special position of power or influence in relation to that bank.
>
> Such a situation might lead to differences of opinion between this government and another government, and to confusion over who exercises authority in regard to the bank.

This is crucial, and this authority must be clearly identified. It must be clearly identified as the national authority.

The principal argument used by the province of British Columbia is that provinces have control over property and civil rights; that shares in any enterprise are property, and hence a province can have control over bank shares, and can properly buy a controlling interest in a bank.

I suggest that provincial governments do not have all the powers of a private individual. Also their concern is with property and civil rights within a province, and not extending beyond the province. Certainly banking, in the manner that the bank of B.C. would be incorporated, does extend beyond one province, in this case from B.C. to other provinces, and beyond our Canadian provinces to other countries in the world. In other words, it extends into an area which is clearly one of federal jurisdiction.

I believe we need more banks. Certainly the Porter Royal Commission indicates this. We need more competition in respect to the lending of money. This will drive interest rates down and make money readily available. In the 1880's we had 30 to 40 banks. Today we have eight. We have five which are entirely national, two confined to Quebec but operating under federal law, and one which has branches in Montreal, Toronto and Vancouver.

We need more banks in the West. We also need bank headquarters in the West because of our economic prospects and because of the growing financial power of Western Canada. The government of B.C. made a very interesting submission to the other place. It indicated that today the economy of B.C. alone is greater than that of the Atlantic region. Our

population is comparable. The turnover in respect of money is substantially greater. Some of the figures are illuminating. For example, labour income in B.C. is 55 per cent greater than that of all the Atlantic provinces combined. Cheques cashed are nearly two and a half times as great as in the Atlantic region.

If one thinks not merely of B.C. but also of the Prairies having an economy half again as large as that of B.C., he knows we are dealing not only with a growing region but a very important one in economic terms. In population terms it challenges Quebec, and in economic terms it is comparable to Ontario. It is the most rapidly growing and most vital part of Canada, and needs not only more branch offices but bank headquarters as well.

The government of B.C. is fond of indicating that the Bank of America, the biggest bank in the world, has its headquarters in California. It does not, however, say that the Bank of America is owned or was initiated by the State of California. It is a private bank operating under the laws of the United States and is part of the U.S. federal reserve system. It is totally responsible to the laws of our neighbouring nation to the south. It is not akin to a provincial bank. It is not a state bank; it is a privately owned bank.

Numerous other reasons are given by the government of B.C. as to why there should be a Bank of B.C. Our friends in the Créditiste party are blocking the incorporation of other private banks in order to bring the Bank of B.C. forward but, if they will allow me, I will destroy the remaining arguments advanced for a provincial Bank of B.C. One argument is that it would assist in making Vancouver a centre of Canadian finance. If the Laurentide Bank were incorporated it would help us to attain that objective.

Another argument they advance is that a chartered bank must succeed. Since when have chartered banks in Canada not succeeded? We have not had a significant bank failure, nothing like the failures in the United States, even in the depression years of the 1930's.

A third argument is that the bank should be concerned primarily with B.C. I suggest that all banking institutions are concerned about making money, are concerned about investing in going concerns in whatever part of Canada they do business. Therefore that qualification would certainly be met by banks like the Laurentide Bank and the Bank of Western Canada.

They also argue that bank shares should have a relatively stable market value. Most of our Canadian bank shares, because of the solvency of our banks under a very fine banking system, have that stability.

• (6:30 p.m.)

They also suggest that the provincial government can be of practical assistance to a bank. I suggest that the Government of British Columbia will be putting its surplus funds, tax revenues and income from other sources into the Bank of British Columbia exclusively.

Finally, the problem of professional management would be met. Canada's chartered and other banks have been very well managed and I suggest the Bank of British Columbia would be recruiting most of its management from the staff of the chartered banks. Therefore this argument of a lack of professional management falls to the ground.

I should like to refer briefly to the nature of the directorate of the proposed Bank of British Columbia. The gentleman proposed as president is Mr. Einar Gunderson, senior partner of the accounting firm of Gunderson, Stokes, Walton & Company. He is among other things chief fund-raiser for the Social Credit Party in the Province of British Columbia. He is also the executive vice president and a director of the Pacific Great Eastern Railway, a British Columbia socialistic enterprise. He is executive director of the British Columbia Hydro and Power Authority, another Government-owned agency. And he is a member of the British Columbia Ferry Authority. He is one of the principal confidants, if not the closest personal friend, of the Premier of British Columbia. The claim that this would not be a politically influenced bank falls to the ground because of the personalities involved, certainly that of Mr. Gunderson. This is the man who recently stated that, for more than a decade he had been raising money for the Social Credit party's election campaigns purposes. He has been raising it in the name of the British Columbia Free Enterprise Education Fund. Mr. Gunderson is, of course, an officer of a number of socialistic enterprises and some of these have been socialized within a relatively short period of time. He personally played a major role in bringing them under Government ownership.

Now I should like to consider the scale and scope of the proposed bank. This Bank of British Columbia would have a capitalization of $100 million, that is to say, of the same order of magnitude as the Toronto-Dominion Bank. In order to be profitable it will have to attract

all of the savings of all individuals, all firms and all institutions in the province, besides those of all the Crown corporations—and then some. Were it to confine its activities exclusively to British Columbia there would be no room left for any private bank whatever. It would have the effect of driving free enterprise out of all banking in British Columbia, driven out by the man who is proposed as President of this Bank, the person who has been soliciting contributions in the name of the British Columbia Free Enterprise Education Fund. In my view, those who have been contributing to this fund have actually been contributing to the downfall of private enterprise in several important areas, one of the most significant of them being commercial banking in Canada.

What would happen if Quebec were to decide to follow this example, as is entirely likely? Eventually we might have as many as ten provinces taking an equity interest in chartered banks whose policies they would influence or control. Private enterprise would be wiped off the map in Canada in this field. The Bank of Canada would remain the agent of the Federal Government but it would have to deal with ten separate provincial banks. We could not look forward to a continuance of informal discussions held once a month or more frequently between the central bank and the various chartered banks. Instead we would be committed to a series of Federal-Provincial Conferences bearing on monetary policy. Imagine what might happen if inflation began to get under way and the Federal Government decided to pursue a tight money policy. The Province of British Columbia might resist such a policy as being against the interests of many of the people in that province. So there would be a dillying and dallying between two different levels of Government. Federal-Provincial conferences perform a useful function but I doubt whether they could be effective in managing the monetary policy of this country. I can imagine the Premier of British Columbia saying, for instance: I will go along a little distance with this tight money policy if you will turn over your offshore mineral rights to the province; instead of bringing this issue before the courts we shall have it out around the table during this so-called conference on monetary policy.

What view would other countries take of this monetary Balkanization of Canada? England has one of the most successful banking systems in the world. It has a national bank and a number of private banks subject to the law of the United Kingdom. A Labour Government was in power in the United Kingdom for a number of years but it did not see fit to permit the Balkanization of its banking system. I suggest to Members of the New Democratic Party that their endorsement of the Bank of British Columbia renders their ideas for planning on a national basis nonsensical.

Mr. Deputy Speaker: Order. I have to interrupt the hon. Member, whose time has expired, unless he has unanimous consent to continue.

Some hon. Members: Agreed.

Mr. Davis: This is important. The New Democratic Party wants to plan our way of life more effectively. It says the Government should move into more areas of economic activity. I can think of no activity more essential to economic planning than the formulation of monetary policy, and I cannot imagine that a national Government headed by the hon. Member for Burnaby-Coquitlam (Mr. Douglas) would look with favour on ten provincial premiers coming to the bargaining table, each with a particular banking policy, each with ideas as to whether there should be tight money or easy money, ideas as to how credit should be advanced, and so on.

As one who endorses the free enterprise system I firmly believe we need a monetary policy with only one set of rules and only one level of Government involved. This Parliament should establish the ground rules upon which banks should operate right across the country—a system flexible enough to meet all our needs as they arise. This would give mobility to industry and develop the economy to an increasing extent for the benefit of all Canadians. National unity alone requires that the setting up of provincial banks should not be entertained by this Parliament and that this proposal to establish a Bank of British Columbia should, in particular, be rebuffed. On the other hand, private banks, including the Bank of Western Canada, should be incorporated in order to make our present system more flexible and more effective.

• (6:40 p.m.)

Mr. Olson: Mr. Speaker, does the hon. Member think the proposed Bank of British Columbia operating under the Federal Bank Act would be either contrary or detrimental to the national interest?

Mr. Davis: The short answer to that question is, I think it would be detrimental to the national interest.

An hon. Member: Why?

Mr. Davis: A longer answer to the question is that there are certain latitudes permitted to chartered banks, observing the law in its strictest form, and within those latitudes, if all chartered banks owned by provinces were to throw their weight one way, it would make it very difficult to put any particular policy into effect.

Mr. Olson: I have a supplementary question. Is that true of the present shareholders of banks? Are they able to frustrate federal policy by exercising the power they have as a result of the shares they own at the present time?

Mr. Davis: I suggest that there is a great variety of interests among the shareholders of our different banks and that this variey of interests reflects the national interest to a considerable extent, and that to the extent it does not reflect national interest it allows the will of the majority to prevail.

Mr. J. H. Horner (Acadia): Mr. Speaker, I have been very interested in listening to the speech of the hon. Member for Coast-Capilano. I am sure he has assisted the Social Crediters and the Créditistes in their marathon talk-out of any proposed bank charter.

The hon. Member's speech dealt with a great many things other than the application for charter of the Bank of Western Canada, in respect of which some of us are particularly interested. The hon. Member complained that the control of the British Columbia Bank might lie in the hands of a few, and that its power might be directed in certain ways at the whim of a political party or of a few individuals.

The hon. Member never once tried to defend the application for charter of the Western Canada Bank.

An hon. Member: Yes he did.

Mr. Horner (Acadia): Someone suggested that he did. I read the remarks made by the mover of this bill, and she at no time, in moving first or second reading, refuted some of the charges made before the Banking and Commerce Committee of the Senate of 1964. I intend to refer to those hearings in greater detail later on.

If the hon. Member for Coast-Capilano has no objection to the granting of a charter for the Bank of Western Canada I do not understand why he objects so strenuously at this time. Let us be very clear at this time that a very few powerful people will have control of the proposed bank, and that those people are not people resident in Western Canada. That being the case, what is the difference in respect of the application for the charter of the Bank of British Columbia?

When the Premier of the Province of British Columbia appeared before the Senate Committee, and I have the report of that committee in my hands, although I will not have time to read the relative portions, he stated he would be agreeable to reducing his interest to 5 per cent or 10 per cent. In view of that fact what is the difference in the attitude taken by the Government in respect of these applications for charters?

As a result of a rigid cross-examination by a member of the other place the information was revealed that 49 per cent of the stock of the proposed Bank of Western Canada, at least under the terms that existed in respect of the application last year, would be held by three people. We have now heard an ardent spokesman for the Government say that it would be a terrible crime to give a charter to a bank, only a fraction of the shares of which would be held by the Premier of the Provincial Government, who wishes to develop these vast resources of his Province and who takes it upon himself as a responsibility to develop those resources for the benefit of the people of that Province. On the other hand, we hear the same spokesman and other Members of his party avidly supporting an application for a charter of a bank which supposedly wishes to develop Western Canada but which in fact will benefit very few more than three individuals. After listening to the speech of the hon. Member I am afraid that the hon. Member has more than convinced me, and perhaps this is the first time, that the sponsors of the Bank of British Columbia should expect, as a right, to receive a charter.

The hon. Member for Coast-Capilano has not convinced me that the charter requested by the bill now before us should be granted, and I shall point out in the time available to me why I am not convinced. Perhaps at some stage the mover and those people who ardently speak in favour of this bill will present some sound arguments for this application for a charter, rather than spend their time condemning another application.

The mover of the bill pointed out, as recorded at page 1260 of *Hansard,* that the capitalization of the new bank is to be increased and that 4,720 certificate holders are from western Provinces, whereas 830 are

from outside that area. Let us compare that picture with the picture shown in respect of the application for a charter now before us as presented during the last session to the Banking and Commerce Committee of the other place.

At page 58 of the proceedings of that committee the witness, Mr. Stevens, who appeared on behalf of the applicants, is recorded as having stated that the total number of shareholders would be 6,099 and of that number only 233 were not residents of the Western Provinces. That would indicate to me that the number of shareholders does not necessarily designate where the control lies. In the present application there are fewer shareholders, but a greater number of them who are resident in areas other than Western Canada. Of the proposed 6,099 shareholders only 233 are from outside of Western Canada; but what control would those 233 shareholders have? That is the point of interest to us. It is my feeling that they would have the greater control, and this is supported by the evidence of Mr. Stevens as reported at page 59 of the same proceedings of that committee, which met on May 6, 1964.

At page 60 of the proceedings, in reply to a question, Mr. Stevens stated that the group of companies involved are The Wellington Finance Corporation, Limited, Canadian Finance & Investments Ltd., and York Trust and Savings Corporation. After rigorous examination it was discovered that the York Trust Company would hold 33,000 shares, that the Canadian Finance Company would hold $2,250,000, or 150,000 shares of the proposed capitalization, and that the Wellington Finance Corporation would hold $3,750,000 or 433,000 shares of the capitalization. In other words 43 per cent of the capital of that proposed bank would be held by those three companies, and that is only part of the picture.

Under the proposed Bank Act no individual, person or party shall own more than 10 per cent of the shares of any proposed chartered bank. I believe that the holding of a bank charter is a right of Canadians generally and that this Government or Parliament should not interfere with that right. I believe that the base of any bank charter should be spread as broadly as possible, rather than being narrowly confined as would be the case in respect of this application for a charter for the Bank of Western Canada.

Mr. Speaker, nothing has led me to believe that there is any great change in this application from that which was presented earlier. I do not suggest there are not any changes, because obviously there have been some, but let me attempt to show that it does not matter where the shares are, but that what is important is where the capital and voting rights lie. Forty three per cent of the capital of the new bank is to be held by three companies, as indicated by the evidence given before the Banking and Commerce Committee of the other place on May 6, 1964, as recorded at page 60 of the proceedings of that committee.

[Mr. Horner (Acadia).]

• (6:50 p.m.)

Further we find that British International owns 40 per cent of York Trust, and that it has voting power to the extent of 28.9 per cent in Canadian Finance. It also has 36.6 per cent holding interest in Wellington. There seemed to be some doubt about the figure in the questioning; one of the examiners thought it was 48 per cent but the witness said it was 36.6 per cent. That appears at page 61 of the committee proceedings. So 36.6 is the minimum holding. It appears that 43 per cent of the capital of the new bank would be held by these three companies; and one of them holds practically a controlling interest in all three.

A little further on in the proceedings we discover that British International Finance of Canada is controlled, as admitted by Mr. Stevens, by Mr. Stevens and his family and Mr. W. E. N. Bell. As reported at page 62 of the report he says:

> I would like to emphasize the indirect nature of that, though. For example, I would have a 49 per cent interest in one company—

There are three other shareholders, but it is not fair to suggest that a 49 per cent interest does not in fact control a company. Certainly we are not naïve enough to believe that anyone with a 49 per cent holding in a company does not, in effect, control it.

I do not want to read extensively from the proceedings, but as reported at page 63 Mr. Stevens quite frankly admits:

> To save any misunderstanding there—I am trying to be correct in my statement—I will say that the next largest holder would be William J. Mollard. He appears in the prospectus. I am trying to be correct as to whether myself plus Bell plus Mollard control—those three certainly control.
>
> Senator McCutcheon: Then I think the answer to my question follows from that, that you and Mr. Mollard and Mr. Bell are in a position to sell the control of British International Finance—

He points out that the three people who control British International Finance would be, in effect, the three people who are the

principal shareholders of the controlling interest in the new bank applying for a charter. He also pointed out under examination that these three people could quite conceivably sell their shares to other persons or to another person, so that you could have a controlling interest in this proposed Western Canada Bank in the hands of one company.

I must say I have been looking for something to set my fears at rest. I looked for something from the mover when she moved second reading of the bill and from the ardent spokesman who favoured so vehemently the Western Canada Bank, rather than the bank sponsored by the Province of British Columbia. But I heard and saw little to set my fears at rest. However, I notice that the capitalization of the proposed bank is now larger than it was last session. I may be of a suspicious nature, Mr. Speaker, but three men went before the other place in the last session of Parliament and asked for a charter. There are only eight charters in Canada. These three individuals want the ninth. Therefore, why should we in this Parliament not suspect that they would come back in this session masquerading under the name of the Western Canada Bank? There was quite a few years ago a Western Canada Bank. As the hon. Member for Coast-Capilano (Mr. Davis) said in his speech, he did not believe for one moment that chartered banks ever lose money, and I would agree with him on that. But for some reason or other they do sell and they do amalgamate. I do not think for one moment, when the old Bank of Western Canada, so named, eventually amalgamated with the Standard Bank and the Standard Bank amalgamated with the Bank of Commerce, that in any one of those transactions the parties or persons concerned lost a nickel. Therefore I think it is the duty of Members of Parliament and those in the other place very carefully to examine the application for this charter, and whether or not the charter will be placed into the controlling hands of a few. They should investigate whether or not these people intend to carry out the declared operations of this proposed bank.

Mr. Davis: Could I ask the hon. Member a question. The hon. Member in his speech has been asking for information throughout. Surely the best way to get information is to put this bill before a committee of the House and summon witnesses. He himself can attend and ask all the questions he likes and get the facts. Why do we not proceed in this manner?

Mr. Horner (Acadia): I have no doubt whatever that this bill will get before the committee, but I have some doubt whether I would be on the committee because the proposed Government changes have narrowed down our committees system to a dangerous point. Therefore I think it only fair that the questions in my mind today should be put on paper for those who sponsor the bank to read, and so witnesses coming before the committee at a later date can bring the answers and set my fears at rest. Whether or not I am on the committee I will read the evidence given before the committee; and I firmly believe that if the hon. Member who just interrupted me was avidly concerned about and interested in getting this bill through Parliament this evening, then he had no business running wild during his time, taking five extra minutes, condemning another bank instead of speaking in support of the promotion of this bank. He now suggests that because I have asked a number of questions I am talking out the bill. I suppose that is what he tried to suggest by his polite little question to me. I must inform you, Mr. Speaker, and through you, him, and the mover of the bill, that I have many more questions yet and I am not through.

Mr. Deputy Speaker: Order. I must inform the hon. Member that it is seven o'clock and that the time allocated for private Members' business has now expired. The House will now resume the business interrupted at six o'clock.

WAYS AND MEANS

The House in Committee of Ways and Means, Mr. Lamoureux in the Chair.

INCOME TAX ACT

Resolved, that it is expedient to introduce a measure to amend the Income Tax Act and related provisions of the Federal-Provincial Fiscal Arrangements Act and to provide among other things:

1. That for the 1966 and subsequent taxation years the income tax payable by an individual be reduced by an amount equal to the lesser of 10 per cent of basic tax or $600 and for the 1965 taxation year by an amount equal to the lesser of 5 per cent of basic tax or $300.

2. That for the 1965 and subsequent taxation years a taxpayer may deduct in computing his taxable income an amount for the support of a person who was his niece or nephew and who during the year resided in Canada, was wholly dependant upon him for support, and was

(a) under 21 years of age,

(b) 21 years of age or over and dependant by reason of mental or physical infirmity, or

(c) 21 years of age or over and in full-time attendance at a school or university,

if

(d) the mother of the niece or nephew was divorced or separated and not in receipt of alimony or similar payments, or

(e) the father of the niece or nephew was deceased or mentally or physically infirm,

not exceeding $300 if the person was a child qualified for family allowance and $550 if he was not so qualified.

3. That for the 1965 and subsequent taxation years a taxpayer may deduct in computing his taxable income an amount not exceeding $550 expended by him during the year for the support of a person who was his aunt or uncle and who during the year resided in Canada and was dependant upon him for support by reason of mental or physical infirmity.

4. That for the 1970 and subsequent taxation years the additional exemption of $500 now allowed to a taxpayer who has attained the age of 65 years be allowed only if the taxpayer has attained the age of 70 years and that for the taxation years 1966 to 1969 inclusive a taxpayer who has attained the age of 65 years but has not attained the age of 70 years be allowed the additional exemption of $500 only if he did not receive a pension under the Old Age Security Act in respect of any month in that year.

5. That for the 1965 and subsequent taxation years a taxpayer who deducts in computing his income from an office or employment

(a) annual dues to maintain membership in a trade union or to maintain membership in an association of public servants,

(b) annual dues retained from his remuneration pursuant to the provisions of a collective agreement and paid to a trade union or association, or

(c) annual professional membership dues the payment of which was necessary to maintain a professional status recognized by statute,

shall not by reason of such deduction be ineligible to deduct the standard deduction of $100 described in paragraph (ca) subsection (1) of section 27 of the Act.

6. That for the 1966 and subsequent taxation years a person, the spouse of such person residing with him and previously resident in Canada, or any dependant child of such person, shall be deemed to have been resident in Canada throughout a taxation year if such person was at any time in the year performing services in a country other than Canada under a prescribed international development assistance program of the Government of Canada, and was resident in Canada during a part of the year preceding the commencement of such services.

7. That for the 1966 and subsequent taxation years a contribution made by a person under the Canada Pension Plan or under a provincial pension plan as defined in section 3 of the Canada Pension Plan may be deducted in computing the income of such person.

8. That for the 1965 and subsequent taxation years the limitation on the amount related to earned income that a taxpayer may deduct as a premium under a registered retirement savings plan be increased from 10 per cent of earned income to 20 per cent of earned income.

9. That for the 1965 and subsequent taxation years such part of any amount that would otherwise be included in computing income of a taxpayer as a retiring allowance be deductible if it is paid in the year, or within 60 days after the end of the year, as a contribution to a registered pension fund or plan, as a premium under a retirement savings plan, or to a trustee under a deferred profit sharing plan.

10. That there may be deducted in computing the income of a taxpayer an amount in respect of an outlay or expense made by the taxpayer in the 1965 and subsequent taxation years

(a) to a person with whom the taxpayer is dealing at arms length and who is the lessee of property owned by the taxpayer, to obtain the cancellation of a lease on such property,

(b) for landscaping property used by the taxpayer for the purpose of gaining or producing income,

(c) for clearing land or laying tile drainage for the purpose of carrying on a farming business,

(d) as or on account of the cost of making representations to a government, municipality or other public authority in connection with a business carried on by the taxpayer, including representations for the purpose of obtaining a licence, permit, franchise or trademark,

(e) as or on account of the cost incurred in investigating the suitability of a site for a building or other structure planned by the taxpayer for use in connection with a business carried on by him.

11. That for the 1965 and subsequent taxation years a corporation shall be deemed to be resident in Canada throughout a taxation year if

(a) it was incorporated in Canada before April 27, 1965 and was resident in Canada in its taxation year that included April 26, 1965 or in any subsequent on taxation year, or

(b) it was incorporated in Canada after April 26, 1965.

12. That with respect to payments received by a taxpayer after April 26, 1965, other than a payment made upon the death of an employee, the amount that a taxpayer may elect to have taxed under section 36 of the Act shall not exceed

(a) in the case of a single payment

(i) out of or pursuant to a superannuation or pension fund or plan, or

(ii) pursuant to deferred profit sharing plan, or

(iii) pursuant to an employee's profit sharing plan,

$1,500 times the number of years during which the employee, in respect of whom the payment was made, was a member of the plan, or

(b) in the case of

(i) a single payment upon retirement of an employee in recognition of long service, or

(ii) a payment or payments made by an employer to an employee or former employee upon or after retirement in respect of loss of office or employment

$1,000 times the number of years during which the employee, in respect of whom the payment was made, was an employee of the employer who made the payment.

13. That for taxation years commencing after April 26, 1965, a trust or estate (other than a trust or estate arising on death) that has income from a business carried on by it in Canada may not deduct in computing its income an amount paid or payable to a beneficiary who is

(a) a non-resident of Canada,

(b) a non-resident-owned investment corporation, or

(c) another trust or estate resident in Canada,

unless that other trust or estate

(i) arose on a death, or

(ii) has been since April 26, 1965 a beneficiary of the trust or estate paying the amount and the trust or estate paying the amount has been carrying on the business since April 26, 1965,

and any amount paid or payable out of the income for the year of the first-mentioned trust or estate

will continue to be included in the income of its beneficiary notwithstanding the fact that the first-mentioned trust or estate was not entitled to deduct the amount in computing its income.

14. That for the 1965 and subsequent taxation years the amount of income derived from a new mine that a corporation may exclude in computing its income shall be confined to income from the operation of the mine by the corporation.

15. That where a joint exploration corporation acquires after April 26, 1965 a right, licence or privilege to explore for, drill for or take petroleum, natural gas or other related hydrocarbons, the cost of the right, licence or privilege may not be renounced to a shareholder corporation.

16. That for the 1965 and subsequent taxation years an amount that a taxpayer may exclude from his income because it is consideration for a mining property acquired as the result of his efforts as a prospector, or as the result of efforts of a prospector who was employed or financially assisted by him, shall not include a share of profits, a royalty or a payment based on production.

17. That the Minister of National Revenue with the approval of the Governor in Council may on behalf of the Government of Canada enter into an agreement with the government of a province, under which one government undertakes to transfer to the other, in respect of income tax paid by an individual from whom deductions were made at source as though he were resident in a place other than the province in which he was resident on the last day of the year, a part of the amount deducted or withheld under section 47 of the Act or a similar provision of a provincial income tax act.

18. That in order to give effect to the provisions of paragraph 1 without reducing the amount of equalization payments to any province a consequential amendment be made to the Federal-Provincial Fiscal Arrangements Act to adjust the fractions set out therein in the definition of "standard individual income tax" used in the computation of equalization payments.

19. That a new section be added to the Act concerning expenditures of a taxpayer for advertising space in a non-Canadian newspaper or periodical having effect substantially as follows:

"12A (1) In computing income, no deduction shall be made in respect of an otherwise deductible outlay or expense of a taxpayer for advertising space in an issue of a non-Canadian newspaper or periodical dated after December 31, 1965 for an advertisement directed primarily to a market in Canada.

(2) An issue or edition of an issue of any newspaper or periodical that is edited in whole or in part in Canada and printed and published in Canada and that was not on April 26, 1965 a Canadian newspaper or periodical shall be deemed, for the purposes of subsection (1), not to be an issue of a non-Canadian newspaper or periodical if

(a) through the period of twelve months ending April 26, 1965 issues or editions of issues of that publication were being edited in whole or in part in Canada and printed and published in Canada at the usual intervals for issues of that publication and have since that date continued to be so edited, printed and published without interruption except for a reason other than the cessation of the business of publishing that publication; and

(b) in the case of a periodical, the periodical is similar, in content and in respect of the class of readers to whom it is directed, to the issues or editions of that periodical that were throughout the period of twelve months ending April 26, 1965 being edited in whole or in part in Canada and printed and published in Canada.

(3) Subsection (1) does not apply with respect to an advertisement in a special issue or edition of a newspaper that is edited in whole or in part and printed and published outside Canada if such special issue or edition is devoted to features or news related primarily to Canada and the publishers thereof publish such an issue or edition not more frequently than twice a year.

(4) Subsection (1) does not apply with respect to an advertisement in

(a) a catalogue, or

(b) any publication the principal function of which is the encouragement, promotion or development of the fine arts, letters, scholarship or religion.

(5) In this section,

(a) 'Canadian issue' means,

(i) in relation to a newspaper, an issue, including a special issue,

(A) the type of which, other than the type for advertisements or features, is set in Canada,

(B) the whole of which, exclusive of any comics supplement, is printed in Canada,

(C) that is edited in Canada by individuals resident in Canada, and

(D) that is published in Canada, and

(ii) in relation to a periodical, an issue, including a special issue,

(A) the type of which, other than the type for advertisements, is set in Canada,

(B) that is printed in Canada,

(C) that is edited in Canada by individuals resident in Canada, and

(D) that is published in Canada,

but does not include an issue of a periodical

(E) that is produced or published under a license granted by a person who produces or publishes issues of a periodical that are printed, edited or published outside Canada, or

(F) the contents of which, excluding advertisements, are substantially the same as the contents of an issue of a periodical, or the contents of one or more issues of one or more periodicals, that was or were printed, edited or published outside Canada.

(b) 'Canadian newspaper or periodical' means a newspaper or periodical the right to produce and publish issues of which belongs to or is vested in

(i) a Canadian citizen,

(ii) a partnership of which at least ¾ of the members are Canadian citizens and in which interests representing in value at least ¾ of the total value of the partnership property are owned by Canadian citizens,

(iii) an association or society of which at least ¾ of the members are Canadian citizens,

(iv) Her Majesty in right of Canada or a province, or a municipality in Canada, or

(v) a corporation

(A) that is incorporated under the laws of Canada or a province,

(B) of which the chairman or other presiding officer and at least ¾ of the directors or other similar officers are Canadian citizens, and

(C) of which, if it is a corporation having share capital, at least ¾ of the shares having full voting rights under all circumstances, and shares representing in the aggregate at least ¾ of the paid-up capital, are owned by Canadian citizens or by corporations other than corporations controlled

directly or indirectly by citizens or subjects of a country other than Canada; and

(c) 'issue of a non-Canadian newspaper or periodical' means an issue that is not a Canadian issue of a Canadian newspaper or periodical."

• (7:00 p.m.)

Mr. Munro: Mr. Chairman, prior to private Members' hour I was referring to the speech made by the Leader of the Opposition in which he indicated that this proposal involved some limitation of the freedom of the press. I was quoting from the O'Leary Commission report, a Commission which I would reiterate was set up during the administration of the right hon. gentleman, reporting to the Government of that day. As reported at the bottom of page 7 the Commission has this to say about the freedom of expression argument:

In our society, freedom of expression—and therefore of the organs of expression—is so firmly established as to require overwhelming justification of anything that might be construed as interference by the State. So sacred indeed is the freedom of expression—or freedom of the press, which is but a function of all freedoms—so essential is it to our way of life that its protection benefits from every doubt of State measures which concern it.

This Commission was not established to devise means of curtailing the freedom of expression, nor to fashion means to in any way limit press freedom. It has not conceived it to be its function to restrict opinion in any way. But this is not to say that venerable and sanctified clichés about "press freedom", shouted at the Commission through so many of its hearings, should deter it from a sincere accomplishment of its instructions and much less from an honest discharge of its duties to arrive at conclusions and make recommendations, whether or not they entail legislation. There is need to remember that freedom of the press is not an end in itself, but only a function of general intellectual freedom; to remember that no right includes a privilege to injure the society granting it; to understand that a great constitutional doctrine cannot be reduced to a mere business convenience, and that the press is but a Fourth Estate—not a whole community.

Leaving out a few lines, the report continues:

At the same time, however, it has viewed with distaste the sight of fundamental principles of democracy being sent to act as decoys in the interest of commerce.

I think that this amply demonstrates the point made by the Minister of Finance in his introductory remarks last evening when he stated that this proposal was in no way a limitation of the press, that it in no way was directed at any curtailment of the dissemination of information, but rather all that it did in effect was to limit the sale of newspapers by their owners to interested Canadian purchasers rather than to foreign or non-resident purchasers. In other words, it is a limitation in the business area but it has nothing whatsoever to do with the dissemination of information or editorial policy or the position taken by newspapers so far as the free expression of ideas is concerned. As was also indicated by the hon. Member for Port Arthur, I cannot for the life of me see any validity in the argument that the proposal limits or is an invasion in the area of freedom of the press.

I should like to deal a little further with the O'Leary Commission report. An interesting thing is that the O'Leary Commission not only recommends the imposition of limitations on the periodical press in order to preserve their Canadian identity but even goes further and suggests that in the future we may have to think in terms of other legislation of this type, though still not dealing in the area of dissemination of information, still not dealing in the area of editorial policy or the encouragement of conflict of opinion but, if you like, dealing in the business area, in the area of physical ownership. On page 8 of the report there is the heading "The National Interest", and this is the justification given by the Commission for the type of limitations which are proposed in this legislation. The justification is the national interest. In this regard the Commission said:

There is, after all, practically nothing a government can do without impinging upon the rights and privileges of some so that they may harmonize with those of others with which they may conflict. The constant redefinition of rights and privileges is the continuing task of government. That this process is difficult, there is no doubt. However, even in a matter as sacred as the freedom of expression limitations have been applied in the past: no publication has the right to libel.

There is one inherent limitation.

It is not inconceivable that new limitations may be necessary in the future, seeing that with the increased importance and mounting power of mass communications, there must be a corresponding gain in the power and importance of the relatively few people who control the media, and, therefore, a decrease in certain rights of other individuals in the community.

I take that as an indication by the O'Leary Commission of their concern over the degree of concentration of ownership in the whole mass media field. I take it as an indication of concern that has been expressed not only by the O'Leary Commission but by many others, because the degree of concentration of ownership in the mass media field, not only newspapers, has grown to an alarming extent in Canada. I suggest that in this particular paragraph the Commission foresees that maybe a somewhat similar type of development will have to occur in Canada, as took

place in England with the establishment of the Shawcross Commission, to go into the whole area of mass ownership in the media field because, as the O'Leary Commission has stated, "there must be a corresponding gain in the power and importance of the relatively few people who control the media and, therefore, a decrease in certain rights of other individuals in the community".

It has always been recognized as a fundamental function of any government in a free society that it must protect the rights of the individual, and if this concentration of ownership should occur to the degree that it diminishes the rights of the individual we can perhaps foresee legislation in this field also. So the principle of national interest is there. Our country and other countries in our democratic society have recognized that there is a fundamental duty to protect the individual against concentrations of power and to protect the national interest against foreign influences.

This is the justification for this legislation. This is the justification advanced by the Commission which formed the basis of the legislation as it was first introduced by the former Government. Therefore, for the former Prime Minister to indicate in the House today an attitude in direct conflict with and diametrically opposed to a bill his own government had on the order paper based on the recommendations of his own Commission is, to me, simply incomprehensible.

I think this also points out another interesting development in the political evolution of the ideas of the Leader of the Opposition. Professor George Grant has recently written a book entitled *Lament for A Nation*. There has been some discussion of this book in Canada. In it he has identified the Leader of the Opposition as a great nationalist, as one who was opposed to the power complex and pressure groups in Canada, as one who advocated that the Canadian identity must be preserved. It must be disillusioning indeed to his champion, Professor George Grant, who extolled the Leader of the Opposition to such heights, that now the Leader of the Opposition should today criticize and indicate his lack of support for this type of legislation. I think it would be interesting to refer to one portion of the book. As found on pages 16 and 17, Professor Grant states:

• (7:10 p.m.)

There is something naïve about Diefenbaker's attacks on Toronto and Montreal business in the 1963 election, particularly in the light of the economic policies his government had pursued from 1958 to 1962. It is not surprising that the only literate and established voice on the side of Diefenbaker in the election of 1963 was Senator Grattan O'Leary, who was himself caught in the trap of romantic nationalism. Senator O'Leary also was a supporter of both nationalism and capitalism. He could presumably combine the two because he thought the leaders of Canadian capitalism after 1940 were still nationalists. There seems less excuse for such nonsense from the publisher of a great eastern newspaper than from a western lawyer. It is, nevertheless, startling that the western lawyer could still believe capitalists were nationalists after a term as Prime Minister. In short, Diefenbaker did not understand the economic implications of Canadian nationalism; he could not appraise the class structure realistically, and therefore he could not formulate the economic policies that were necessary if nationalism was to be more than rhetoric and romance. Even after his defeat, he does not seem to have learnt these lessons. As Leader of the Opposition, he attacked the measures, put forward by Walter Gordon to limit the control of this country by American capital.

Here we have it from this author, a great defender of Mr. Diefenbaker and his administration indicating his disillusionment with the inconsistencies and contradictions in the positions and postures taken by the Leader of the Opposition with regard to the policies advocated by the Minister of Finance last year and within the first year of our taking office. Again, we have an illustration of the Leader of the Opposition opposing such policies here today. It becomes somewhat of a tragedy that Canadians have learned to look to the Leader of the Opposition as the personification of the champion of preservation of the Canadian identity, and yet today we have opposition to legislation that I would suggest goes to the very heart of any real effort to preserve any type of Canadian identity at all.

Surely, Mr. Chairman, we must concede that in the ownership of newspapers we have a very essential element of the whole mass media field. When we concede that we have the whole field of the mass media involved, then we are talking about one of the fundamental areas of ownership in our whole way of life. If we should allow the mass media to fall under the control of non-residents or foreigners, we would have no semblance of independence or sovereignty left. This would surely erode the very foundations of any aspiration toward any type of Canadian independence or Canadian sovereignty. As I say, it is just beyond my powers of understanding when we are talking about the mass media here, when we are talking about legislation designed to preserve Canadian ownership in the mass media field, when we acknowledge that the mass media is one of the essential

elements in forming a national identity, and when we are proposing the legislation which is so necessary to preserve that identity, that the Leader of the Opposition seems to have given up any hope of plans for the preservation of the independence and sovereignty of this country.

I noticed another thing in the position taken by the Leader of the Opposition, which was disturbing. I refer to the fact that no alternative policies were advanced. I find it impossible to believe that the Leader of the Opposition or any other Member of this House could complacently sit back and watch one of our newspapers like the *Globe and Mail*, the Toronto *Star* or the Montreal *Star* fall into the hands of non-residents. I do not believe that any Member of this House could accept that type of development with peace of mind. It would be bound to cause considerable pain. It would be bound to cause considerable aggravation to every Canadian because he would realize this was a further example of the encroachment of foreign ownership and control of our country. This would be an area in which the dissemination of ideas would be involved, and not just physical assets.

If the Leader of the Opposition is just opposed to the method of implementing this proposal and is not opposed to the over-all aim of the legislation, one would have thought that the party opposite would have advanced some alternative proposal by means of which the purpose of this legislation could be accomplished. No such proposal was advanced. In fact, this has been the position of all of the critics of the present policy. They admit that the Federal Government has no other legal means by which its aim could be accomplished. They realize that under the British North America Act we do not have the power to legislate with regard to the ownership of property. Perhaps this is the reason no alternative proposal was brought forward.

Surely a party that has gone on record from 1958 to 1962 as being most concerned with this problem could find an alternative, otherwise it is sheer irresponsibility to oppose this proposal. They must certainly accept the challenge of coming up with some other adequate means of accomplishing the same end, or support the Government on this particular piece of legislation before us tonight. If they do not do so, then they are guilty of the greatest contradiction, the greatest reversal of policy I have ever heard in this House during the short time I have been here.

I should like to refer to one or two other matters. One suggestion I have heard advanced in some quarters as an alternative means has been some type of subsidy arrangement advanced by the Federal Government to these periodicals. I am referring now to periodicals rather than newspapers. This would be a means of preserving the Canadian periodical and preventing it from disappearing as a result of this unfair competition to which so much reference has been made today. Anyone who advocates that type of arrangement certainly would be flying in the face of those who indicate concern about the limitation on the freedom of the press, interference with the press by Government.

I have yet to hear anyone indicate that in a subsidy arrangement there is not an intangible influence by the Government upon the periodical involved. Perhaps this is the reason we do not hear the subsidy argument advanced in this House. I think we must look back and accept the fact this legislation is inevitable. We must look back to our own Royal Commission and the conclusions to which it has come. We must look back to what almost happened to the *Globe and Mail*, when a non-resident investor submitted a bid and undoubtedly if his bid had been higher the *Globe and Mail*, which holds itself out as being Canada's only national newspaper, would have fallen into the hands of non-residents. Developments such as these undoubtedly prevailed upon the minds of the Government and the Minister of Finance when introducing this legislation. Developments such as this injected a degree of urgency.

• (7:20 p.m.)

In conclusion I would like to reiterate the point that this legislation is consistent with the type of legislation we have in other areas respecting mass media and the communications field. It is consistent with the limitations involved in the radio field to preserve Canadian ownership. It is consistent with the limitations involved in the television field to preserve Canadian ownership. None of us heard any criticism from any opposition party when those controls were imposed and in fact the origin of such limitations goes back many years. No one heard any such criticism about limitation of freedom when only periodicals were involved. We just began to hear it when newspapers were included.

This legislation is in the national interest. It is not a limitation on expression. It is not a limitation on freedom of the press. It is consistent with other legislation dealing with the mass media field. If we desire any sem-

blance of preserving Canadian identity in the important field of mass media it is in the national interest that this Chamber should approve this measure.

Mr. Clancy: The hon. Member has just made a statement that no one opposed the C.B.C. I can refer him to many pages in *Hansard* showing there was a lot of opposition at the time that was introduced.

Mr. Munro: I do not know whether the hon. gentleman who has just spoken is aware that the C.B.C. was originated and set up under a Conservative government.

Mr. Clancy: That is right, but you made a statement that nobody in the House of Commons opposed it. Read your *Hansard* and you will see a great many people did.

[*Translation*]

Mr. Ricard: Mr. Chairman, we have just listened to the second part of the band concert accompanying the introduction of this resolution. Last night the Minister of Finance (Mr. Gordon) told a rather sad story in glowing terms when he dealt with the question of income tax. Tonight the parliamentary secretary to the Minister of National Health and Welfare, another member of the band, tried to convince us that this measure was worth its weight in gold.

This resolution gives me, once again, the opportunity to emphasize the viewpoint of the low wage Canadian. As a matter of fact, if I have decided to say a few words on this resolution, it is because the Canadian wage-earner is taxed more than ever before in the history of Canada. On the other hand, besides being taxed as he has never been before, he has to cope with the cost of living which has never been as high since Confederation.

That is why, Mr. Chairman, I will try once again at this time to make representations on behalf of the small wage earner.

Nowadays, heads of families in the low income bracket are up against all kinds of difficulties; they cannot make both ends meet and every year their situation gets worse. Even if the Minister of Finance, as I said a few moments ago, announced in glowing terms a 10 per cent reduction, we find, after closer examination, that many people will not benefit by this reduction. One cannot help but think that this government has only one objective in mind: to assist people in the higher income brackets as much as possible and those in the lower income brackets as little as possible. This is not the first time, Mr. Chairman, I have risen in this house in an attempt to convince the Minister of making changes with regard to personal exemptions. The Minister would have accomplished his duty and done something for the small wage earner had he announced an increase in personal exemptions and deductions for dependants.

I should like to say once more to the Minister that, in these days, it would only be fair and reasonable for single persons to have personal exemptions of at least $1,500, while the exemption for married people should be increased to $3,000 from $2,000. In regard to dependants eligible for family allowances the exemption should be $350 at least, instead of $300. As for dependants over 16 years of age who are not in receipt of family allowances, the head of the family should be able to claim an exemption of $600 instead of $550.

A few moments ago, when I listened to the parliamentary secretary to the Minister of National Health and Welfare (Mr. Munro), I was under the impression that he intended to convince us that absolutely nothing had been done to help employees in the lower brackets before this government took office.

For his information, I will point out that when we assumed power in 1957, or at least at the beginning of 1958, we raised the personal income tax exemptions for dependants so that all large families could benefit further from deductions. I believe we thus set an example which could be followed by this government. During electoral campaigns, the Liberals are lavish with their promises; once in power, they should live up to those promises. I know that I would be out of order if I proposed the removal of the 11 per cent tax which has largely contributed to increase the living costs. I shall therefore abstain from pursuing the subject.

There is another field where the minister could do something to help those who really need help. This involves increasing immediately the old age pension from $75 to $100 monthly for all Canadian citizens age 65 or over.

When the minister dealt with this question some time ago, he announced that pensioners would receive $75 at age 65, but they will have to wait at least four years more. Mr. Chairman, you know that when one reaches the age of 65, one has much less years to live than one has lived. Therefore, chances are that even though the minister's promise may be attractive for our older citizens, the latter will not, in the final analysis, be able to

take advantage of the generosity shown by the minister when he announced this change in old age pensions.

Now that the Minister is in his seat, I should like to ask him once again to take my suggestions into consideration, so that something be done for those who are truly in need. It is not to those who earn a salary of $15,000 and more that a $600 exemption should be granted, but rather to those who need it the most, the small wage earners whose family responsibilities are greater and more onerous. I will not speak further. I simply urge the Minister to bring his immediate attention to those who need it most.

• (7:30 p.m.)

[*English*]

Mr. Barnett: I should like first of all to make a brief reference to the general subject which was dealt with a short time ago by the Parliamentary Secretary to the Minister of National Health and Welfare and earlier by my hon. friend from Port Arthur. I will make no attempt to join the Parliamentary Secretary in psychoanalyzing, as it were, the position taken by the Leader of the Opposition but I should like to say something in connection with the questions raised by the hon. Member for Port Arthur—I noticed that the Parliamentary Secretary carefully skirted around them in the course of his remarks about the freedom of the press. I am referring to the proposal which will allow certain editions of *Time* magazine and *Reader's Digest* to continue as wholly Canadian publications.

My hon. friend made the suggestion—and I think it is a reasonable one—that this is a question which should be submitted to a free vote by Members of the House of Commons. Despite the fact that this has been brought forward as a budgetary proposal because of the mechanics involved, I do not believe this is really a budgetary matter. I think the Minister of Finance would agree that this is not primarily designed to affect the balance of ways and means; it is a matter which concerns our outlook as Canadians on our culture and its development, and the provision which should be made for the dissemination of such things. While I have made no particular effort to discuss this matter with private Members on the other side of the House I strongly suspect a great many of them are not happy about the present proposal. Indeed, I would be very surprised if the Minister of Finance himself were very happy with this situation. The remarks made by the hon. Member for Port Arthur this afternoon remind me of a situation in which I found myself a number of years ago when a proposal dealing with this subject was brought forward by a former Minister of Finance, Mr. Walter Harris. As one of the Members of this House representing the then four parties in the Chamber I was invited to take part in a panel discussion in a posh Laurentian resort before a convention of advertising executives. I found myself in the unusual position of being the only person there prepared to support the position taken by the Minister of Finance of that day. The representative of the Liberal party in our group came from a Montreal constituency, I believe. When he rose to speak he announced that this was one of the occasions when he would be bound to disagree with the Government he normally supported. If an arrangement could be made to have a free vote I suspect that a good many of the Government's present supporters might indicate they were not happy with this perpetuation of what is, to me, an unhappy situation. We are not dealing with the true facts of the situation when we regard magazines which are, basically, produced in another country as being Canadian.

I do not believe anyone here would suggest there should be any limitation on the flow of publications into Canada from other countries. I think all of us are in favour of a free exchange of ideas in the international field. But we have a responsibility in this Parliament to deal with a situation where certain publications are able to bring out publications masquerading as Canadian though in reality they are not.

• (7:40 p.m.)

Reference was made in the budget proposals of the Minister of Finance to the matter of providing the opportunity for considering as an expense, if I understand it rightly, expenditures that are made to eliminate or prevent water pollution. This proposal has not been spelled out in any great detail and I suppose this may have been because the Minister regards it as one of the incidental features of his budget. However, as far as I am concerned, I consider this to be one of the more significant suggestions the Minister has made.

I do not know whether or not this will be an effective way of encouraging the reduction of the pollution of our rivers, lakes and other waters, but if this proposal is to be brought forward, which will allow expenditures for the reduction of water pollution as deductible expense, I should like to sug-

gest to the Minister that when he brings this proposal forward in its final form consideration be given also to including similar expenditures as taxable expenses in the field of the reduction of air pollution. I feel these two subjects are closely linked. Protection in respect of the purity of our air is equally as important as protection in respect of the purity of our water. I should like to put forward the plea that these things be placed in the same category.

Perhaps I can attempt briefly to indicate why, among other reasons, I have a particular interest in bringing this matter forward. To illustrate my point I should like to quote from some remarks attributed to Dr. Donald Anderson of the University of British Columbia Medical Faculty, who was reported last January as having said that in the Alberni Valley area, where I live, five times as many people suffer from respiratory diseases than anywhere else in British Columbia. This comes about partly because of the particular climatic condition which prevails and partly because we have a very large industry based upon our forestry products.

This matter of air pollution has been of continuing and increasing concern to some 25,000 people who live in this valley, as it has been of increasing concern to people who live in many other parts of this continent, including such places as Vancouver and of course, across the line in the City of Los Angeles, in respect of which we hear a great deal about their notorious smog.

This matter is one about which there is still some uncertainty, and one which requires in my view a good deal of further research. I am glad to say that in a very modest way the Department of National Health and Welfare has made a grant to assist a research team operating within British Columbia to make a comparative study of this particular situation where there is this high level of respiratory disease, and to attempt to determine just how far and in what way these diseases are a result of the industrial effluence which pours out into the air.

Pressure continues to be made on industry to make greater expenditures to eliminate the pollution which even though it may not be as injurious to health as many medical authorities fear, nevertheless, remains a very unpleasant situation with which one must live. In this connection I should like to quote briefly from some remarks made by the Secretary of the Interior of the United States on this subject which appeared in an article published in *Pulp and Paper* of March 15, 1965. The Secretary of the Interior was referring to the continuous flood of complaints he receives about the subject of air pollution.

Mr. Udall is reported as having said:

> The stock argument that these conditions are part of the "price which must be paid for progress" will not be tolerated much longer. The avalanche of protest does not come from fanatics and crackpots —it comes from solid, informed members of the community who are not demanding the *impossible.* Their mounting impatience is caused by justifiable belief that too little is being done to achieve the *possible.*

Following that argument advanced by Secretary Udall, I believe what he has said certainly applies in this country. If the Minister of Finance is going to take budgetary measures to encourage industrialists to reduce the level of water pollution certainly it is equally important that those measures be applied in respect of air pollution.

Dr. G. H. Bonham, who is the medical director of an area health unit in the Vancouver Island region, from which I come, has been making some study of these matters and has made some public comment in this regard. He refers to the lack of proper bylaws to control pollution, but he states, and I am referring to a newspaper report which appeared in the Victoria *Daily Times* of November 16, 1963:

> —that industries could not be entirely blamed for not using odour and smoke control measures when "the public complacently accepts the smell of money."
>
> He added that good control equipment was not prohibitively expensive—

In another report of the same speech by Dr. Bonham, which was carried in the Nanaimo daily *Free Press,* he is reported as having said:

> We are not in complete ignorance as to how to achieve this control. Ask the Swedes!
>
> They employ chemists from the B.C. Research Council (a tax-supported body) to advise them on both the installation and operation of smoke and odour control equipment.
>
> Lack of knowledge is thus not the only limiting factor.

I have sat in at meetings where management of industry has complained about the high cost of increasing the level of pollution elimination, and it on those grounds that under the circumstances, if the Minister is going to move into the field of encouraging expenditure in respect of water pollution, I ask as well that he include also encouragement toward the increasing of elimination of pollution of Canadian air.

• (7:50 p.m.)

While I am on my feet I should like to make reference to one other matter, and this is a

subject which has become a hardy perennial, as far as I am concerned. In fact, I believe I have raised this question in respect of every budget since I have been a Member of this House. I refer to what I consider to be a basic inequity in the Income Tax Act in respect of people whose incomes are derived from salary and wages. I raised this matter during the discussion on the last budget. The Minister of Finance may recall that support came from quite a number of Members in the House for an amendment to the Income Tax Act which would meet this problem which is faced by workers who, because of the nature of their employment, have to work and live for part of the time away from their normal place of domicile.

I must say, Mr. Chairman, as I listened to the remarks of my colleague from Nanaimo-Cowichan-The Islands regarding the cavalier way in which the Minister apparently went about the preparation of this budget and said "Well, I guess we can afford a little tax reduction so we will make it 10 per cent across the board, and that is that", that I could not help but agree with him that the Minister could have much more carefully considered the nature of any tax reductions that he was going to make. When he introduced his first budget I know he was criticized rather severely in some quarters of the House for having had too much help in its preparation. In this case I think he has gone to the other extreme and has had no help in the preparation of this budget. He has simply said that he will throw out the sop of tax reductions and this is the simplest way of doing it, because it will save any headaches which might be involved in studying how to approach the matter.

I listened to the Minister last night, and if I heard him correctly at that time he made some remark to the effect that he felt that if there was going to be an income tax cut it should be done in a manner which would apply equally to all Canadians in all parts of Canada. I could very well take those remarks as a text for my argument in respect to section 5 (a) of the Income Tax Act. I have attempted to be helpful to the Minister several times in proposing amendments, and if he does need any further help at this time I could refer him to Bill No. C-42, which is on the order paper in the name of my colleague the hon. Member for Skeena. As a matter of fact I think I should say that the hon. Member for Skeena and I are, in effect, co-authors of this particular bill, and if I would not be in breach of the Criminal Code I might admit that we had tossed a coin to see whether this bill would go on the order paper in his name or mine. This bill sets forth what, in our view, would be a suitable amendment to the Income Tax Act, the kind of amendment which, as I mentioned to the Minister last year, I felt I was on the verge of persuading the former Minister of Finance, Walter Harris, to introduce in the session prior to the time when he ceased to be a Member of this House.

[Mr. Barnett.]

Without arguing this point any further, Mr. Chairman, I should like to place on the record of this discussion the exact proposal that I should like to see adopted, and I hope that the Minister, in the light of the very sound advice offered to him by the hon. Member for Nanaimo-Cowichan-The Islands, will reconsider the ill-considered proposal he has made for passing on something by way of an income tax reduction. I should like to see section 5 of the Income Tax Act amended by adding after subsection (2) the following subsection:

(3) Notwithstanding subsection (1), in computing the income of a taxpayer for a taxation year from an office or employment, there shall not be included

(a) expenses necessarily incurred by him for board and lodging by reason of his employment at a distance from the place where he maintains a self-contained domestic establishment;

(b) expenses incurred by him for transportation between his ordinary place of residence and his place of employment where, by reason of distance, he is required to live away from home to perform the duties of his employment; or

(c) expenses incurred by him for depreciation and replacement of tools and special equipment or clothing which are necessarily required by him in the performance of the duties of his employment.

If I may say so, Mr. Chairman, a proposal of this kind, which the Minister is well aware has been suggested by, among others, the Canadian Labour Congress in a number of its briefs to the Federal Government, would be a much better measure in the interests of the working people of Canada than the proposal which the Minister has inserted into his budget income tax resolution, I would guess as a sort of afterthought which will allow the deduction of trade union and professional society dues over and above the minimum $100 deduction. This, I suppose, is a gesture. It really does not amount to very much, but the proposal to amend section 5 of the Income Tax Act for which I have been arguing for so many years would be much more in accordance with the principle of equitable application of an income tax levy on the working people of Canada.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I had no intention of taking part in this debate, but since I read the speech delivered last night by the Minister of Finance (Mr. Gordon), when he ventured to talk about Social Credit, I just have to say a few words about that speech which will be famous from now on.

First of all, I must say that faced with a statement such as this one, full of sophisms and dialectic errors and hardly scientific, one wonders what is the best way to answer it. Should one try to explain to the Minister of Finance such a subject, or use a humorous tone, as he did, to answer the speech he delivered yesterday?

I noticed a very great resemblance between the speech—

[*English*]

Mr. Gordon: Mr. Chairman, on a point of order, I think my hon. friend is talking about an entirely different bill, with which we were dealing yesterday.

The Deputy Chairman: I think the point of order is well taken. The hon. Member for Lapointe is referring to a different debate and I would suggest to him that he confine his remarks to the resolution which is before the Committee.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I did not intend to speak about the bill, but only about the speech which was delivered by the hon. Minister of Finance, which is not at all the same subject.

I notice that the hon. Minister is once more deviating from his dialectical tactics and that he is attempting to put forward spurious arguments. That is why I do not intend to talk about the bill we were considering yesterday, but I would like to take advantage of this proposed resolution on the amendments to the Income Tax Act, which is a constituent and integral part of our economic system, to talk about the same economic matters with which the Minister dealt yesterday in this house. I believe that I may do so under the circumstances and that I am not straying from the subject matter.

Mr. Chairman, I see that the Minister of Finance, in the famous speech he delivered yesterday, used the same tactics as the hon. member for St. Jean-Iberville-Napierville (Mr. Dupuis) used during the last federal election.

[*English*]

The Deputy Chairman: I must remind the hon. Member for Lapointe that we have before us a single resolution, and his remarks must fall within the terms of that resolution.

• (8:00 p.m.)

[*Translation*]

Mr. Grégoire: Mr. Chairman, a while ago, I heard another member talk about water pollution. In my opinion, that had no more to do with the item now before us than a few comments I was about to make on a mere speech made by the Minister of Finance. That is why I am surprised to see that, even before I started, you called me to order. I feel that my remarks will apply perfectly to the resolution we are now discussing.

As I was saying, the Minister of Finance used the same arguments used during the 1963 election campaign by the hon. member for St. Jean-Iberville-Napierville, who always referred to inflation when talking about Social Credit.

The Minister of Finance, once again, spoke of inflation. He brought up the same arguments that the hon. member for St. Jean-Iberville-Napierville used. But in the resolution now under consideration, there is something which we find much more interesting: the personal income tax is to be reduced by an amount equal to 10 per cent of the basic tax.

Well, Mr. Chairman, in the speech made by the Minister of Finance, I read this sentence which is directly related to what I have just said.

I would now like to comment as briefly as possible on the matter of the interest on the public debt and see if it represents such a burden or a loss of purchasing power, as claimed by some hon. members.

The minister added:

It is true that the interest on the public debt represents an expenditure for the government.

[*English*]

Mr. Gordon: On a point of order, Mr. Chairman, with great respect may I say that I think the House has given the hon. Member for Lapointe many opportunities to expound his theories. It seems to me we have rules that some of us try to live up to and that the same rules should apply to the hon. Member. There is nothing in the resolution before the House that has anything to do with anything that the hon. Member has said so far. With great respect, Mr. Chairman, I would hope you would keep him in order.

[*Translation*]

Mr. Grégoire: On the point of order, Mr. Chairman, I should like to point out that the Minister of Finance seems annoyed, because we are challenging one of his speeches.

I would also point out that he took advantage of the fact that he was the last speaker yesterday, to conclude the debate, when nobody could answer him. I say that when a Minister of Finance speaks when he knows that nobody can answer as he did yesterday, shows that he is afraid to put his ideas forward.

[*English*]

The Deputy Chairman: Order. I should like to point out to the hon. Member for Lapointe again that he is referring to a speech made during a separate debate. I do not think there is anything in the terms of the resolution before the House that provides him with an opportunity to make any reply. Again I must ask the hon. Member to co-operate with the Chair and to confine the remarks he is making so they can be included within the limits of the resolution before the Committee.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I submit to your ruling, but I still think the Minister of Finance is wary of discussion and that he only ventures into a discussion when he is sure nobody can answer him back. It shows a lack of courage of one's own convictions.

[*English*]

The Deputy Chairman: Order. Three times I have asked the hon. Member to confine himself to the terms of the resolution. I wish he would do so now.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I shall abide by your ruling. I know that the Minister of Finance is much relieved because he is afraid of discussion.

Under section 1 of the resolution under consideration and which I quoted earlier, the income tax is reduced by an amount equal to the lesser of 10 per cent of basic tax or $600.

For the low wage earners—but we know that the Minister of Finance is not interested in them—this will mean practically no reduction at all, because it only adds up—and the Minister of Finance gave us the figures himself—to a few dollars for those earning less than $4,000 or $4,500. This 10 per cent reduction will represent a fairly large amount only for those who are in receipt of higher salaries, that is, those who the Minister of Finance has to protect in the house at the expense of the common people, the low income groups. The Minister of Finance agrees to advocate their theory since he defends them so well and reduces their tax by 10 per cent, a cut which does not apply to the small wage earners.

In my opinion, paragraph 1 of this resolution should be changed and an income tax exemption should be granted mainly to those with inadequate salaries. For instance, we have been suggesting for a long time—and this would not cause the inflation about which the Minister of Finance talks through his hat—to raise the basic tax exemptions to $1,500 for single people and $3,000 for married people. That would at least enable small wage earners to keep the little they have instead of giving it back to the Minister of Finance to allow him to repay the interest on the public debt.

I agree with the Minister of Finance that the interest on the public debt does not impoverish the little man—that is what he said in his speech yesterday. But it remains that out of the income tax collected on the salaries of small and big earners alike, $1.1 billion is used to pay the interest on the national debt.

The Minister of Finance is ready to fight for such a system. As for us, Mr. Chairman, we submit that tax exemptions should be raised to $3,000 for married people and $1,500 for single people.

Mr. Chairman, those are the only remarks I wanted to make at this stage of the resolution.

I would have liked—as I said earlier—to talk a little about the heretical views of the Minister of Finance on the monetary system. Although he knows nothing about the present monetary system, he prefers not to hear the truth and to hold discussions during which he is the only one to speak so that his remarks go unchallenged. Therefore, I leave him to his ignorance.

[*English*]

Mr. Flemming (Victoria-Carleton): Mr. Chairman, I wish to take advantage of the opportunity presented by this resolution to bring to the attention of the Minister an omission which I feel he will be glad to correct at the earliest possible moment. In the Minister's budget speech and under the heading of "Accelerated Capital Cost Allowance" he makes reference, as found on page 436 of *Hansard,* very properly, I think, to the fact that he wishes to make some special allowance for facilities for the storage of grain. He takes note of the fact that storage facilities are needed for corn production in parts of Ontario, refers to changes in har-

vesting techniques and goes on to say that transportation and grain handling facilities should go hand in hand.

• (8:10 p.m.)

Now, the matter I want to bring to the attention of the Minister relates to the question of storage facilities for root crops. This is of particular importance to the constituency which I have the honour to represent since part of western New Brunswick, particularly the counties of Victoria and Carleton, are large potato growing areas. In this day when chemical fertilizers are used substantially, the crop per acre is very large. This brings to mind the fact that the planting of the crop and then the harvesting of it is a major operation. The marketing of the crop cannot be carried out unless there are adequate storage facilities. Obviously in the autumn of the year a full year's production has to be harvested and these potatoes must be taken care of for the full year in order that they may be marketed in an orderly fashion. They have to be protected from the frost during the winter and from excessive heat in the spring and early summer, so there will always be a supply of potatoes available for the market.

The Chairman: Order, please; I regret that I have to interrupt the hon. Member at this moment, but the Chair would like to have a little more quiet in the committee. There are conversations on both sides of the curtain which make it difficult for the Chair to follow the hon. Member.

Mr. Flemming (Victoria-Carleton): Thank you, Mr. Chairman. I hope hon. Members take due notice of your admonition.

The point I was trying to bring to the attention of the Minister was the need for including in these income tax regulations the same sort of consideration for refrigerated storages for the potato crop of New Brunswick as is envisaged for the grain growing parts of Ontario and Western Canada. I believe this question of orderly marketing is most important. The matter of the potato crop itself is very important to that part of New Brunswick which I represent. It is necessary, if people are to be able to conduct orderly marketing, to have access to markets not only in Canada but also in the United States and South American countries. This question of refrigerated storage then becomes most important.

It is with these facts in mind, Mr. Chairman, that I make these brief remarks. I request the Minister to take notice of these facts when he finally brings his bill before the House. I hope he will make provision for accelerated depreciation facilities for the storage of the potato crop and root crops in general, and I hope this problem will be recognized and dealt with in a satisfactory way.

Mr. Mackasey: Mr. Chairman, in keeping with the new rules of the House and the desire for Members to be brief, I certainly do not intend to talk at any great length this evening. My participation in the debate at the moment is motivated primarily by the subject to which the hon. Member for Port Arthur referred, namely, the proposed legislation on periodicals. I was intrigued by the number of speakers participating in this debate who have expressed the opinion that probably the Minister of Finance was unhappy at having to sponsor the proposed legislation on periodicals. I feel this is a tribute to the Minister because I think it is realized, and this probably prompted these observations, that the Minister of Finance has shown a degree of Canadianism that most of us feel is important at this crucial time in the history of Canada.

I believe it is no secret to most Members of this House that the Minister of Finance certainly comes from a background with which I am not too familiar. I believe that by my standards, and the standards of my community, the Minister is amongst those privileged Canadians who are not necessarily waiting for the next pay cheque. Because he is a typical example of big business in so far as success is concerned, I think his concern about the Canadian identity is much more refreshing. Certainly some of the legislation proposed by the Minister was hardly the type of legislation that would necessarily endear him to the closely knit financial community with which he was so closely associated before he became a Member of the House of Commons. I agree with those who sense that the Minister is not too happy with the proposed legislation.

I cannot help but remember my participation in the debate just a year ago. At that time the hon. Member for Edmonton West reminded me that probably I would eat some of the words I uttered at that time. I shall refer in a minute or two to those words. I believe one of the tragedies of Canada, as we approach our centennial, has been our inability to act and believe as Canadians. I believe that we owe much to the Province of Quebec and French speaking Canadians. They cannot take the lazy way out as we English

speaking Canadians do, when we rely heavily on the periodicals, publications and television programs from our friends to the south. French speaking Canada has had to foster, support and cultivate its own mediums of culture. When we English speaking Canadians cease to fear French Canadian domination in their own province, we will all benefit from the fact that in Quebec we have some distinction from the culture of the rest of America.

There are four fields of communication, Mr. Chairman, radio, television, newspapers and periodicals which have a very definite bearing on the cultural future of Canada and perhaps of Canada as a nation. A year ago, I did express an opinion in the House which I am glad to repeat, and which can be found at page 2122 of *Hansard*. I said at the time that I felt very strongly that *Reader's Digest* and *Time* magazine were American publications, have always been American publications and fully intend to remain American publications. I went on to say that it was my strong view that so far as the editorial content of a magazine was concerned, the nationality of the people who wrote the editorial should be the criterion of whether or not the magazine was Canadian or American.

• (8:20 p.m.)

In the year that has elapsed I have not changed my opinion. *Reader's Digest* and *Time* magazine are American periodicals. I have not changed my desire to help promote those magazines we consider to be Canadian. Where I have differed over the year is whether or not the legislation proposed a year ago by the Minister of Finance (Mr. Gordon) would do anything for our Canadian magazines. Like all hon. Members I have been subjected to the lobbyists of *Reader's Digest,* Mr. Zimmerman and Mr. Gundy of *Time* magazine; but nobody, including the hon. Member for Port Arthur (Mr. Fisher) has yet convinced me that any advertising revenue released by the expulsion of *Time* and *Reader's Digest* would flow into what we call Canadian magazines.

This is the essence of my doubt a year later. If somebody could get up tonight and convince me that the elimination of *Time* and *Reader's Digest* from the Canadian scene would automatically ensure the future of *Maclean's,* and other Canadian magazines, I would be the first to vote for this legislation; but somehow I am afraid the problems of Canadian periodicals run a little deeper than legislation to force advertising revenue into the pockets of those magazines.

A lot of us are dissatisfied with this whole thing, but I agree with that section pertaining to newspapers. By no stretch of the imagination can the proposed legislation be interpreted as an impediment to freedom of speech or communication. We must have a free and unfettered Canadian press to write our editorials, to criticize the Government, to bring justice to the fore, to discuss the question of Viet Nam and many other contentious problems where there is dissidence and differences of opinion. There is a danger in having our newspaper editorials dictated to us from friendly sources outside our nation.

If Canada in the next century is to emerge as a nation we must in many ways depend on the strength of our communications in the mass media field. If I am dissatisfied with the proposed legislation it is because it does nothing, absolutely nothing, to divert advertising dollars from those radio and television stations that permeate the perimeter of Canada just below our border in Buffalo, Plattsburg, and similar places. What is good for the goose is good for the gander, and if we are going to attack this thing in the proper manner then it is time we take a closer look at television and radio.

It is a welcome sign that the Minister's proposed legislation will at least eliminate certain abuses. After so many years of bickering *Reader's Digest* and *Time* are entitled to be told once and for all where they stand. While I am not particularly concerned for either *Reader's Digest* or *Time* as a corporation I am concerned for the employees who work for them, who worry about the future, who would like to know what the future is, if anything, who would like to know whether they are wasting their time away or whether they are living on borrowed time.

By our Canadian standards of fair play we owe some explanation or decision to these people, these employees and other people affected by the industry, so that they may know where they stand. If we intend to run *Reader's Digest* and *Time* out of the country, then let us do so, but let us not leave them in a state of abeyance so that their employees and people affected indirectly suffer unpleasantly about their economic future.

In conclusion I would like to reiterate my admiration for the Minister of Finance for being willing to sponsor not only this type of legislation, imperfect as I think it is, but for his willingness to push the Canada Development Corporation, and his willingness

to try to establish a Canadian identity in our business. It is refreshing, as I mentioned earlier; and each time the Minister of Finance takes a step in this direction he arouses the animosity of those who were, not his playmates but certainly his business associates for many years. I think the Minister of Finance meets the criteria of a good Canadian, but I think the time has come for us to stop living in the mistaken belief that the simple expediency of punishing *Reader's Digest* and *Time* will automatically alleviate the problems of Canadian publications.

Mr. Patterson: When the Minister made his introductory remarks he said the Government was awaiting the report of the Committee on Taxation before making any substantial changes in the tax structure. For years Members of this party have advocated a thorough revision of the whole tax structure, which at present has got to the stage that it is almost impossible to analyse it and find out just what is involved. As time goes on, rather than being simplified it becomes more complex and confusing. When the tax committee makes its report I hope it will make definite recommendations which the Minister will be prepared to implement in order to relieve the tax burden on the Canadian people.

At page 10 of the Report of the Royal Commission on Banking and Commerce we find these words:

> We also believe that Canadians want the basic freedom to arrange their financial transactions with a minimum of interference, and have approached our task in this light.

This is a very significant statement because, with the passage of time, Canadians are finding it much more difficult to arrange their own financial transactions. The Government is moving in in every conceivable way, until it seems the taxpayer is hemmed in on every side. The handling of his financial transactions is taken out of his own hands by the Government, under the implied idea that the Government can handle a person's financial transactions better than he can himself.

When this commission reports I hope it will make substantial recommendations with a view to alleviating the burden on the Canadian people as a whole.

• (8:30 p.m.)

I would like to refer briefly to the 10 per cent tax cut which has been played up as something significant to the economy. It may be an indication that the Government is reversing its position and is moving toward a reduction of taxes. If it is establishing a trend, I think it is worth while, but if this is not the case I do not think it is significant in the over-all picture, bearing in mind that no tax relief is being given to those in the low income brackets. I believe there are other ways in which the Minister could have cut taxes—ways which would have been of greater benefit to the Canadian people. For instance, I believe many Members of this House thought a higher basic exemption would have contributed more than this 10 per cent reduction.

Some time ago the newspapers published an insinuation that we in the Social Credit Party had voted against the raising of the basic exemption for income tax purposes. I wish to state clearly and definitely tonight that the Social Credit Members in this House did nothing of the kind. There was a want of confidence motion brought before this Chamber criticizing the Government for not increasing the basic exemption. It is true we voted against that motion. There was nothing positive about it. Had it carried we would still not have had higher basic exemptions. We therefore took the position that it was not worthy of support. But we have consistently supported the principle that there should be higher basic exemptions. When the figure of $1,000 was established many years ago in respect of a single person it was based on the assumption that in order to secure the necessities of life a basic exemption of $1,000 was required. If this were true so many years ago, how much more true is it that a much higher sum is required today when we are faced with constant increases in the cost of living and a decline in the purchasing power of the dollar.

There are two or three other changes I should like to have seen made in this resolution. I should have liked these proposals to have included a provision that all property taxes be deductible for income tax purposes. I read an article some time ago to the effect that the Progressive Conservative Party intended to make this one of the planks in its election platform. We are not surprised. It would not be the first time that they have taken planks out of our platform and used them. This is something we have advocated for a number of years. In fact I have a document here which was put out a long time ago by the Social Credit Association of Canada and on page 16 we read: "Full property taxes should be an allowable deduction for income tax purposes".

I have an article here from the Ottawa *Citizen* of May 20, 1965. I will read part of it. It says:

> A resolution asking for some relief from personal income tax for homeowners was approved Wednesday by the Canadian Federation of Mayors and Municipalities.
>
> The mayors agreed at their annual meeting that the money paid out in municipal taxes should not be subject to further taxation and should be a deductible item on the income tax form.

Once again I am happy that Social Credit is right in line with popular proposals. I believe the Minister of Finance should take cognizance of this recommendation and have it included in the resolution, and in the bill which is to follow.

I do not expect it will have any practical result but I believe it does not hurt to reiterate some of these things. If the Minister of Finance wanted to find a way of helping the economy he could have done so by rescinding the legislation with regard to the taxes on building materials and production machinery. The Minister has insisted down through the months that this action was necessary and justified, but I suggest that in the over-all picture the rescinding of these taxes would have provided a tremendous boost to the economy.

Clause 10 of the resolution has to do with income tax allowances in respect of clearing land or laying tile drainage for the purpose of carrying on a farm business. This is a commendable provision. Possibly it will have a decided impact on the economy of various communities, especially in areas where it is necessary to do a great deal of land clearing and levelling in order to make farming profitable. We express appreciation to the Minister for this proposal at least.

I do not intend to take any further time dealing with this measure but we trust that the day is not too distant when the Minister of Finance, basing his considerations on the report of the Royal Commission, will work out some way of bringing to the people of Canada adequate and effective relief from the burden of taxation which is now becoming intolerable.

Mr. Herridge: First, may I say that while we differ from the Minister strongly on certain questions relating to taxation, all of us in this group look upon him as one of the nicest men who ever undertook legally to pick a Canadian pocket.

We presume this is a stopgap budget, a mark-time budget, as it were. As the Minister has mentioned, the Government is awaiting a report from the Royal Commission on Taxation. I hope that when we get this report it will provide an opportunity for us to lay a sound and equitable tax base in Canada. Positions with regard to Federal and Provincial taxation are changing. I do hope that as a result of this report the Provinces and the Federal Government will have an opportunity to develop a logical tax structure in which fields of taxation and responsibility are clearly defined.

• (8:40 p.m.)

There is great concern among many people of this country about United States ownership and control of our resources and our industries, as well as concern about borrowings from the United States particularly by municipalities for the development of social projects in Canada. In that connection I should like to read an extract from a pamphlet sent to me by some students in Montreal. It is entitled "Identity". I have talked with a number of students in universities throughout this country and I have been very pleased to discover that there are large and increasing numbers of young people who are interested in the type of society we are developing under the present circumstances.

I feel that the following statement is rather good:

> Again, if we desire an equalitarian society in Canada then we must have ownership and control of our economy. It is simply impossible to create a country with full medicare, full pensions, free education for everyone, full employment with a high degree of cultural leisure life, while the wealth we create fills the coffers of another country and our resources are utilized for that country's benefit.

In that connection all of us in this group wish the Minister every success in all he undertakes to restore Canadian ownership in those fields I mentioned previously.

It is my intention now to make a few observations in respect of exemptions. From my own personal experience I believe there are some valid reasons for suggesting that the exemption of expenses in respect of travellers and others entertaining in connection with business is sometimes overdone. I have actually been present when commercial travellers have phoned to points 100 miles from where they were taking orders, who in turn put in expenses as though they had travelled to the point to get the order in question. More attention should be paid in respect of these business expenses.

Recently I was in Montreal and received information to the effect that there are golf clubs there with membership fees of $5,000

per year. I was told by one of the members that the membership fee is deductible for income tax purposes because this was considered as a form of entertainment for customers and clients. This is another aspect of this question of deductible expenses that should be looked into very carefully.

One other matter I wish to mention, which has irritated me considerably because I am strongly opposed to this form of exemption, is the matter of exemptions allowed to the organization known as the Moral Re-Armament organization. I know that when I talk about this subject I tread on the toes of some very sincere and honest people, but I have gone into this question very thoroughly and I know of what I speak. I may say that I was told once by a former member of the Cabinet that in his opinion he considered this a most sinister organization.

This organization receives very large exemptions on the grounds that it is a religious and charitable organization. It carries on very expensive advertising in daily newspapers in Canada. It publishes books, and has other large expenses of a similar nature. When I asked a question in this vein I was told by the Minister that the reason for these exemptions was based on the fact that this organization is considered to be a religious, charitable body. Anyone who examines the records in the Companies Branch of the Department of Secretary of State will find some very interesting information—information that caused a Cabinet minister some years ago to say that he agreed with my standpoint in this regard, because in his opinion this was a very sinister organization, organized to promote the cold war. I think if the Minister looks into this matter he will find that the largest contributions to this organization are made by large segments of industry interested in defence production. This is a matter that should be investigated.

I do not intend to say anything more in this regard at this time, except that I hope these remarks will be considered by the Minister. Various trade unions in my constituency, members of political organizations to which I belong and members of other organizations, have asked me to bring this matter to the attention of the House under the appropriate item, and that is what I have done at this time, because they object to this Moral Re-Armament organization receiving large exemptions on the ground that it is a religious or charitable group. The activities of this organization warrant a much more thorough and complete investigation than has been undertaken by the Minister of National Revenue or any official of the Government to date. This investigation should also relate to the source of this organization's funds and the purposes for which they are used. I am sure that anyone who knows the truth about this organization must realize that it is not a religious organization in the accepted sense of the word, and I would ask the Minister to inform us as to the basis on which it receives these large exemptions as being a charitable organization.

While we do allow exemptions to businesses, as I have mentioned, I think in many cases this involves an abuse. We allow exemptions to organizations such as the Moral Re-Armament group while at the same time we do not allow legitimate travelling expenses of individuals like many who live in my constituency, who have to travel 30 miles every day to their places of employment. I urge the Minister to give some consideration in this regard. Some consideration should be given to the living expenses of individuals who must maintain two homes because they are employed at logging and mining camps. There are no exemptions allowed under the existing system of taxation for these extra expenses. I think circumstances of this kind warrant further consideration by the Minister.

Having made these very mild criticisms I should now like to refer to paragraph 10 of the resolution. Subparagraph (b) of this paragraph relates to landscaping of property used by the taxpayer for the purpose of gaining or producing income. I think that is a pretty wide provision and, while as a Socialist I would expect all good capitalists of any size to be able to pay for this landscaping themselves, because of my love for beauty in all its forms, whether natural or otherwise, I would agree with this exemption with a certain amount of reservation.

Subparagraph (c) reads:

> for clearing land or laying tile drainage for the purpose of carrying on a farming business,

I must say that I was very pleased indeed that the Minister included that exemption in his budget resolution. For 15 years I have risen in this House and argued that the farmer who brought land into production by clearing, by draining or by irrigation should be allowed the same exemption allowed to the owners of mines, or gas or oil wells. I am very pleased indeed that the Minister has included this exemption, and I know that the agricultural organizations in my constituency as well as the Canadian Federation of Agri-

culture, the Farmers Union and all those interested in developing agriculture and increasing production, will welcome this exemption, which is actually only the granting of that justice to the agricultural industry which has been denied for so many years.

I should now like to refer to subclause (d) which reads—

> —as or on account of the cost of making representations to a government, municipality or other public authority in connection with a business carried on by the taxpayer, including representations for the purpose of obtaining a licence, permit, franchise, or trade mark,

I support this exemption in principle, but I envisage the risk, if it is not carefully policed, that there will be abuses. I think individuals who come here as delegates representing various organizations should be allowed to deduct their legitimate expenses. In respect to those who incur expenses in making representation, I should like the Minister to inform me whether it would be possible for a Member of Parliament who is a lawyer, to make representations to the Government on behalf of a client, the charges for which would be exempted as income of that client under the provisions of this subsection. I am going to make a speech on this question a little later on a much broader scale. But while the principle that it will benefit agricultural organizations, trade unions, business organizations and others with a legitimate expense incurred in presenting their views to the Government is correct, there is the possibility of this principle being abused, if it is not carefully policed. Knowing that others wish to say a few words on this resolution I will bring my remarks to an end at this point, but I may take an opportunity at a later date to add a few brief words.

• (8:50 p.m.)

Mr. More: Mr. Chairman, in entering this debate it is not my purpose to hold up a decision on these resolutions, nor to repeat anything which has already been said. However, the last speaker raised a point about a certain organization, which I felt should not be allowed to go on the record unchallenged. I do not belong to this organization, nor do I hold any particular brief for it. I am referring to the remarks made by the last speaker about Moral Re-Armament.

He made certain allegations which would seem to disclose to this committee that in some way he obtained information from the Department of National Revenue about the source of income of this organization. As I understand the Act the Department is not at liberty to disclose anyone's personal business in connection with donations that he may make, or that any company may make which are legitimate within the laws of the land. I challenge the hon. Member to produce evidence that what he stated—namely, that this organization is supported by munitions manufacturers and others—is indeed the fact.

Although I said, Mr. Chairman, that I was not connected in any way with this organization, I have had the opportunity to visit abroad various symposiums they have held and to meet and discuss problems with people from many countries of the world who have attended them. Although they still remain an enigma to me in many respects, and although for certain reasons I cannot directly join or support them, I still came away from these symposiums which I was privileged to attend with the feeling that this meeting together, and the influence the meetings had on the peoples from newly emerging countries, and others, were for the good.

I know that the hon. Member for Kootenay West and other Members of his group think that everyone should lie down and let Communism have full sway in this world; that it is not right to stand up and protect those things in which you believe. They say that we are the culprits in the cold war and that the other side is completely free from any blame. I do not accept this. The attack which the hon. Member just made on Moral Re-Armament, which I suggest is made without evidence, is similar to attacks which his group has been making on the Royal Canadian Mounted Police. Therefore I use this opportunity to bring this matter up, because I have not had a chance before to refer to these continuing attacks upon an organization which is without peer in the world. It is an organization which is almost completely unblemished. These attacks are bad for the country, and certainly do not help the morale of those in the organization, and their ability to do the job needed to be done in this country. In these attacks which are continually made, only one side of the story is given, and I am surprised that the Government and those responsible on that side of the House have not more vigorously refuted these allegations and stood up for this great organization.

Having said that, I want to refer to what I think is an omission in the resolutions now before the committee. Many exemptions are

made and, for certain groups of people, have been enlarged in some respects. I believe the Minister and former Ministers have had representations from a group of people who are not what I would call large wage earners in our society. This group of people are engaged in an industry which gives very little scope for individuals with their qualifications to operate, which means they cannot classify themselves as businessmen and make the deductions which a private business operation is able to make. I am referring to the mechanics who work in the motor trades.

The fact is that most of the qualified mechanics who work in the motor trades are hired at an hourly wage. To meet the requirements of the job they are required to provide their own tools. In this day of modern automobiles these tools have become very sophisticated and expensive. Sometimes they become broken and sometimes lost. Yet these people are denied by the Government in our tax structure any consideration by way of deductions either for replacement of tools or depreciation, and I think this is a real oversight. I should like the Minister to confirm that these people have made representations to him in this regard.

I recall that not long ago the logging industry received some consideration in respect of power tools used on the job. If this is the case, then I would suggest that these mechanics, who work in a very competitive market and who do not, in my estimation, receive too large a wage for the knowledge and skills they have to acquire, should also receive consideration. I say to the Minister that if it is too late to do anything about it now, I would appreciate some assurance that these people will receive consideration the next time around.

Mr. Fisher: Mr. Chairman, as someone on the Opposition side may I say I appreciate the work which has been carried on by the Whip or his assistant on the Government side in arranging for a substantial number of Government Members to be in the Chamber since eight o'clock. Before I move an amendment I want to refer to one item in the resolution which has already been touched on by my colleague from Kootenay West, and that is paragraph 10 (d) which relates to the cost of making representations to the government being a deductible expense.

I think it is about time we had some kind of legislation relating to lobbies and the cost of lobbying. I think the Minister should tell us whether it is envisaged that a group like Dominion Brewers, who maintain an office here and present reports at various times to the Government in connection with their operations, would qualify under this particular item. As I think everyone knows, lobbying on the federal scene is proliferating. I am not one of those who think it is something terrible, but it does seem to me that this particular item opens up all kinds of opportunities for underwriting the cost of lobbying. Therefore I think the Minister could tell us more about what is envisaged in paragraph 10 (d).

In connection with the Minister's remarks on budget night I want to draw his attention to a point which he made when he brought in the question of newspapers. He intended, or someone in the Government intended, to review the postal subsidy which, in effect, *Time* and *Reader's Digest* receive. All of us remember that last session the Postmaster General, the present Minister of Citizenship and Immigration, brought in a resolution to change the postal rate structure. As I remember that particular resolution it was not brought to fruition. A number of Members were against it, and one of the reasons was that which the Minister touched on, namely that we have no real idea of the scope and future prospects of the postal subsidy which certain publications in Canada have at the present time.

• (9:00 p.m.)

Since the Minister went to the trouble to refer to this in introducing the particular part of the legislation dealing with newspapers and periodicals, I think he or the Postmaster General is required by rules of fairness to tell us more of what is in the Government's mind. What does the Post Office Department know? I know the hon. Member for York-Humber was planning to speak on this matter, and he is one of the Canadian authorities on the question of postal subsidies and postal rates for newspapers and periodicals. From previous presentations he has made, I remember it is very clear that American periodicals coming into this country and the Canadian editions of *Time* and *Reader's Digest* have an effective subsidy that is not balanced in any effective way by any similar right that Canadian publications enjoy in the United States, because of a difference in the scale and the extent of publishing.

It seems to me it is not quite fair of the Minister of Finance to suggest that there may be some kind of adjustment here, when he is bringing in this resolution, that effectively naturalizes *Time* and *Reader's Digest*. I intend to move an amendment right after

reading a letter I have received from the *Weekend Magazine* group, the group I referred to before as the main group lobbying against *Time* and *Reader's Digest* having Canadian status. I received this letter on May 4, 1965. It is signed by Mr. Mark Farrell, managing director of *Weekend Magazine*. He says in his letter:

> For the first time, we are close in this country to an effective answer to the problems of Canadian publications. The policy on Canadian ownership announced in the budget speech is a sensible solution to what is obviously a sensitive problem.
>
> Why, then, does the Government destroy the logic of its position by making an exception of *Time* and *Reader's Digest*? We might as well attempt to fight an outbreak of typhoid fever by making an exception of Typhoid Mary.
>
> By granting these two foreign magazines special privileges the Government has cut the heart out of its own periodical policy. The facts about *Time* and *Reader's Digest* are well known. Both are American owned and American controlled. Both serve not Canadian interests but American interests. Neither in the true sense of the world. is published in this country; they are only manufactured here. Both are dumping operations. Both have a minimum of Canadian investment.
>
> Not only are they unfair and ruinous competition, but they cost Canada millions of dollars each year. We pay them between one and one and a half million dollars in postal subsidies each year. We bonus them to the tune of more than $200,000 by exemptions from sales tax. We give them lower postal rates than many Canadian publications. We hand them, and propose to continue doing so forever, wholly unearned profits adjustable at will by their parents in New York.
>
> Why? Justice certainly has nothing to do with it. The presence in a community of a social wrong has never justified its continued existence: Freedom of the press is not involved. *Time* and the *Digest* would be as free to circulate in this country as every other foreign magazine.
>
> Whatever the reason, it is time we faced up to it. If a pair of foreign magazines can claw a place for themselves in this country in defiance of our own interests, we might as well give up. But why should we allow them to do so? As a Member of Parliament, the solution lies in your hands.

He is appealing to Members of Parliament. I am going to move an amendment to strike out all of subsection 2 in the proposed new section 12A found in paragraph 19 of the resolution. I move:

> That the resolution be amended by deleting therefrom subsection 2 of the proposed new section 12A of the Income Tax Act as set out in paragraph 19 of the said resolution.

Before you put the amendment, Mr. Chairman, I should like to anticipate the objection that this amendment will disturb the balance of Ways and Means. Neither I nor the Minister of Finance can really give the answer or comment on that point. What the amendment does is to remove effectively the provision which gives an exemption to *Time* and *Reader's Digest*. I am quite prepared to acknowledge that it may affect the two foreign owned newspapers to which the Minister referred either in his budget speech or last night, and it may affect a paper in the constituency of the hon. Member for Red Deer, the Red Deer *Advocate*. But I suggest that if the amendment is put and accepted by the House it will be very simple for the Government to make an adjustment to subsection 5, dealing with the definition of what is a Canadian issue and a Canadian newspaper or periodical in order to take account of this particular point. In other words, Mr. Chairman, this amendment deletes that part of the resolution which effectively naturalizes or Canadianizes *Time* and *Reader's Digest* for all time. I think the amendment should appeal to many supporters of the Government who I know have been concerned about this matter just as we must assume the Minister of Finance was last year.

[Mr. Fisher.]

The Chairman: Before the Chair puts the amendment proposed by the hon. Member for Port Arthur, I should say I have given this matter some thought for a few minutes and, as the hon. Member for Port Arthur himself pointed out, there is serious doubt whether the amendment is acceptable from a procedural standpoint. Perhaps hon. Members might like to offer comments on this particular point for the guidance of the Chair.

Mr. Gordon: Mr. Chairman, speaking personally, while I am not unsympathetic to the general objectives put forward by the hon. Member for Port Arthur on this occasion, I do think that to accept it would create a precedent which simply could not be accepted by any Government. As you intimated, Mr. Chairman, the hon. Member for Port Arthur himself has in effect made it quite clear that this amendment is out of order.

Mr. Fisher: Oh, no, Mr. Chairman. My point was that I did not know—

Some hon. Members: Order.

Mr. Fisher: I am speaking to a point of order.

The Chairman: Order. Do I take it that the hon. Member is rising on a point of order?

Mr. Gordon: As I said, Mr. Chairman—

The Chairman: Order please. I do not want to deprive the hon. Member for Port Arthur of the right to raise a point of order, if this is what he wants to do now.

• (9:10 p.m.)

Mr. Fisher: No, I will let it go, I just objected to that interpretation of my remarks.

Mr. Gordon: Well, I will repeat it. As I interpreted the hon. Member's remarks, and as I think the Chair certainly indicated he did, there seemed to be at least a suspicion in the mind of the hon. Member that his amendment was out of order. I may be challenged on this, but I have noticed in this House that some of those who pride themselves on their knowledge of the rules are the ones who are inclined to break the rules most often.

Mr. Scott: Thank you, Mr. School Teacher.

Mr. Gordon: I would suggest, Mr. Chairman, that this amendment is out of order because if it is interpreted narrowly, at least it does suggest that a Member of the Opposition can move an amendment which, in effect, would raise taxes or have the effect of raising tax revenues. As the hon. Member from Port Arthur suggested, the amendment certainly does raise the question of the balance of Ways and Means. His earlier suggestion that there should be a free vote on this budget proposal is quite unacceptable.

Mr. Winch: Caucus rule.

Mr. Gordon: This is a proposal which the Government has put forward after considerable thought, and the Government—

Mr. Scott: Tell us your true views.

Mr. Gordon: —will stand by it. To do otherwise would leave any government in any parliament in an impossible position. No one would know where anybody stood on anything.

The Chairman: Order, please; is the Minister arguing the merits of the question now or the point of order?

Mr. Grégoire: You should respect the rules, too, you know.

Mr. Gordon: I do not know them as well as you do.

I think perhaps I have made it clear that this amendment is obviously out of order. If my hon. friend feels strongly about it, I suggest that when the resolution comes up for decision he will have an opportunity to vote against it. So far as the Government is concerned, the Government will stand or fall on the resolution before the House.

Mr. Fisher: In speaking to the point of order, I want to make it clear that the point I was raising with regard to the question of whether or not the amendment disturbs the balance of Ways and Means is something to which I cannot give an answer, and neither can the Minister of Finance. This is simply a deletion. I should like to put it to you that if all we can do in terms of amending a resolution of this kind is to vote against a particular clause of a resolution, then we have not any function at all. If you cannot go so far as to delete something you consider obnoxious, then we have no function.

There is more to this particular item, Mr. Chairman, than the question of taxation, and the Minister is very much aware of it. This is a way of naturalizing something by a taxation mask or device.

The Chairman: Is the hon. Member arguing the point of order?

Mr. Fisher: Yes, Mr. Chairman, I am arguing against the interpretation advanced by the Minister of Finance in his comments on the point of order. He said that, in a sense, I had expressed doubt about the procedural legality of this move.

There is one other point I want to mention. The Minister made a personal aside. I should like to make the point to him that it is the hon. Member for Winnipeg North Centre who takes pride in being the procedural expert, and we take pride in that too. I do not know to what other hon. Member he was referring. I never claimed to be any procedural expert.

Mr. Muir (Lisgar): You have none over there, either.

Mr. Fisher: It seems to me the point of order you must decide, Mr. Chairman, is not whether or not this amendment affects taxation revenue, whether up or down. It seems to me that cannot be determined by trying to interpret the effect of this deletion. I am arguing, Mr. Chairman, that you have to make up your mind as to whether a Member of the Opposition or any Member of the House has a right to make deletions from proposals or resolutions that come before us. I am not convinced by the arguments put forward by the Minister. I hope if you are going to decide you cannot put this particular amendment, that at least you will secure from someone on the Government side some argument a little more convincing than the one given to us by the Minister of Finance.

Mr. Knowles: Mr. Chairman, may I say just a few words on the point of order? I freely admit that it is a difficult situation in which the Committee of Ways and Means

finds itself when we have a one-shot resolution with 18 or 20 parts. I also recognize the argument that private Members cannot move amendments that alter the balance of Ways and Means or appear to impose taxation. However, I should like to point out two things, and one has already been suggested, namely that we do not know whether or not the amendment will alter the balance of Ways and Means.

The other point I should like to make is that in this resolution, in paragraph 19, we have something put before us in rather unusual form. Usually income tax resolutions suggest in general language what is to be put in the actual amendments to the statutes. However, in this case there is set out in paragraph 19, not a general statement, but the precise wording that it is proposed to put in the bill that will be brought before us when this resolution passes. When we get to the bill itself, and in particular when we get into committee on the bill, we will be in a different situation. We will then have the individual clauses before us. At this point we have one resolution with 19 paragraphs. Because of a ruling that was made back in 1948, we are not allowed to vote on the individual paragraphs. When we get into Committee of the Whole on the bill itself, we will be entitled to vote on the individual sections as they come before us. If this section 12A is going to be written into the Income Tax Act as a clause in the bill, then we will be able to vote on that question by itself. As a matter of fact, when that clause is before us it is my view we will be able to move an amendment to delete any part of that clause. It strikes me it does not make sense to say at this stage that we cannot vote against a portion of what the Minister has placed before the Chamber, but that in Committee of the Whole, after second reading of the bill, we will be able to vote against a portion of what the Minister will place before us at that time. For this reason I suggest Your Honour ought to look more closely at the amendment.

• (9:20 p.m.)

The hon. Member for Port Arthur has not moved any alternative. He has not proposed any form of words of his own. What he has proposed is a means whereby we can vote for a deletion of something the Minister has proposed, something we will be able to do later on when in Committee of the Whole on the bill, and I think we ought to have the same right now just by the rule of common sense.

[Mr. Knowles.]

Mr. Martin (Essex East): Mr. Chairman, I am sure Your Honour is familiar with citation 263 (2) to which my hon. friend who has just spoken has not made any reference. It reads:

"The principle that the sanction of the Crown must be given to every grant of money drawn from the public revenue, applies equally to the taxation levied to provide that revenue. No motion can therefore be made to impose a tax, save by a Minister of the Crown—

This we all agree.

—unless such tax be in substitution, by way of equivalent, for taxation at that moment submitted to the consideration of Parliament;—

I should think this is the governing factor.

—nor can the amount of a tax proposed on behalf of the Crown be augmented, nor any alteration made in the area of imposition.

I suggest we are all familiar with attempts that have been made from time to time to eliminate a particular form of taxation. In the debate last Parliament, when an attempt was made to eliminate the excise tax on particular commodities, it was held to be outside the capacity of anyone but a Minister of the Crown to move such a motion. This clearly is a proposal for an alteration of a tax made in the area of imposition. For this reason I would submit to you, as has my colleague, the Minister of Finance, that this proposal is not within the capacity or authority of any Member to make.

The Chairman: Order. The Chair wants to express its appreciation and gratitude to hon. Members, particularly to the Secretary of State for External Affairs, for their learned contributions to the point of order raised by the Minister of Finance. In the opinion of the Chair the amendment of the hon. Member for Port Arthur, if adopted, would have the effect of increasing the burden of taxation on certain taxpayers who otherwise would be entitled to certain deductions for income tax purposes.

I believe it is well known to hon. Members that when an amendment proposes to set aside a measure designed to provide relief, that amendment in effect imposes a tax and should not be accepted by the Chair. Citation 265 (1) of Beauchesne is relevant:

No Member other than a Minister of the Crown may introduce a Bill for the reduction of duties.

In the interpretation of the Chair this would be the effect of the amendment moved by the hon. Member for Port Arthur if it were accepted by the committee. The citation further reads:

The Government must take full responsibility for the taxation levied to provide the revenue.

I also refer the hon. Member to citation 269:

No augmentation of a tax or duty asked by the Crown can be proposed to the committee, nor tax imposed, save upon the motion of a Minister of the Crown—

I am not unaware of the difficulties raised by the hon. Member for Winnipeg North Centre but I feel it is the duty of the Chair to be bound by the relevant citations, which in this case are 269 and 265(1) of Beauchesne. In the circumstances, with regret I cannot accept the amendment moved by the hon. Member for Port Arthur.

Mr. Fisher: I am not going to argue with your ruling, Mr. Chairman, but I am going to make the point that there is something fundamentally underhanded and sneaky about the way this particular matter has been introduced into this question, because every Member knows that this is not a question of taxation. This has nothing to do with taxes.

Some hon. Members: Order.

Mr. Fisher: This has to do with a fundamental matter in connection with two particular periodicals, something that spreads far beyond taxation. Hon. Members are shouting order. I do not know why they feel they have to substitute for you as a Chairman, but if they feel there is a point of order let them get up and say so.

The Chairman: Order please. I submit to the hon. Member that there is a point of order, that the Chair has given its interpretation of the amendment moved by the hon. Member and has ruled in the light of this interpretation. I would suggest to the hon. Member that he knows the ruling cannot be discussed.

Mr. Fisher: I accept the ruling, but these remarks are for the benefit of the Minister of Finance, who was so kind as to tell us he was generally sympathetic, personally, with the intention that I may have had in mind in moving that particular amendment.

I am speaking generally now on something that has bothered a great many people in this country, and that happens to be the persuasive influence and the views of these two particular publications within this country, and their influence upon two successive governments. This is a very bothersome matter. I think most Members who feel the way I do, do not have any particular antagonism toward *Time* and *Reader's Digest* as such, as magazines. In fact I would probably be one of the first to buy *Time* or *Reader's Digest* —*Time* at least—as an American edition coming into the country, such as the *Saturday Review of Literature, Newsweek* and magazines like that.

But this is a bogus situation. These are bogus Canadian magazines, and supporters of the Minister and the Government need to realize that what they are doing by supporting this resolution is Canadianizing bogus Canadian organizations. The point that Members who support the Government should consider, if they vote for this particular resolution, and particularly if they vote for this section of it when it is embodied in the bill, is that when they vote it will be for something introduced by a Minister of Finance who did not have the courage to come clear and clean and spell out *Time* and *Reader's Digest.*

This is a complicated resolution. It takes almost two pages in *Votes and Proceedings* to circle around the particular point of *Time* and *Reader's Digest* and to cover the rather simple point in connection with Canadian newspapers.

I hope other hon. Members feel what the hon. Member for Red Deer has felt, a sense of outrage that this Government and this Minister, after all the parading about Canadian nationalism, after all the talk they have given to us about being free, should stoop to this.

Some hon. Members: Hear, hear.

Mr. Fisher: I wonder whether Members realize how easy it is to get sick of a Government that has a Prime Minister going around talking about the new politics, that has a Minister like the Minister of Forestry going around telling everybody to clean up, to get with the new times, to get with the new politics. I wonder whether hon. Members realize how easy it is to get sick of a Government which has a Minister of Finance setting forth policies in his budget speech and in his introduction to the Canada Development Corporation, about Canadianism and Canadian nationalism, and then see the Government come up with a device, a measure like this.

Cabinet Ministers will not even lay it out clear in the open. They are sneaking it through without even mentioning the names. I think it is only right and proper that I, and other Members who feel strongly about this, should make the point, and make it

good and clear, particularly to those supporters of the Government who, in my mind at least, had given us hope that there was a real, genuine, pervasive Canadian nationalism on that side of the House.

• (9:30 p.m.)

Mr. Gordon: After listening to those rather ill-tempered and intemperate remarks by one of the most intemperate Members of this House—

Some hon. Members: Oh, oh.

Mr. Gordon: I do not know where the hon. Member was last night but I should like to remind him that I mentioned *Time* and *Reader's Digest* by name two or three times in the statement I made on this particular clause of the resolution. I am not used to being called cowardly and I do not accept it from the hon. Member for Port Arthur.

Some hon. Members: Hear, hear.

Mr. Gordon: While we are indulging in personalities I may say I resent very keenly the scurrilous remarks which the hon. Member made about the Prime Minister of this country—

Some hon. Members: Hear, hear.

Mr. Gordon: —and which he feels free to indulge in in his other occupation as a so-called columnist.

Some hon. Members: Oh, oh.

Mr. Fisher: That is a great answer.

Mr. Douglas: That dealt with the question all right.

Mr. Grégoire: A bad argument.

The Chairman: May we have order in the Committee?

Mr. Lambert: I am afraid the Minister of Finance may have been carried away during what I might call his somewhat childish protest, if I may be kind. When it comes to addressing a lesson to the hon. Member for Port Arthur and others regarding their comments on the conduct of the Prime Minister perhaps he would take aside his colleague the Minister of Public Works and remind him of his past sins in this regard. We remember bitterly certain remarks by that hon. gentleman—

The Chairman: Order. May I remind the hon. Member for Edmonton West, the Minister of Finance and the hon. Member for Port Arthur that it may be advisable now to abandon personal allusions and return to the subject before the Committee.

Mr. Lambert: Sometimes when things have been said with apparent freedom they may be commented upon. I was commenting upon some of the words of the Minister of Finance. In these circumstances the Chair is sometimes placed in a little difficulty but we hope that good sense comes back.

As far as the resolution itself is concerned there are certain features in it which we are prepared to accept. There are others which we are not prepared to accept. It is one of the rules of this House that when an omnibus resolution of this nature is placed before us covering the whole panorama of taxation amendments it has to be accepted or rejected as a whole, though some features are acceptable and others are not acceptable.

I will make my stand on paragraph 1 known at the appropriate time where it appears in its own context. With respect to paragraph 19, of course I object to it. Therefore it is my intention to vote against the resolution. I am not in these circumstances to be considered as objecting to paragraph 1.

Some hon. Members: Question.

The Chairman: Is the committee ready for the question?

Mr. Knowles: I think there is some misunderstanding about what you are asking, Mr. Chairman. Are you suggesting that the debate is over on the resolution, or that the discussion on the first paragraph is over?

The Chairman: The request of the Chair was to ascertain whether the committee wanted to vote on the resolution. If the committee is ready to vote on the whole resolution at this time the question will be put.

Mr. Knowles: I understood a certain amount of general discussion would be allowed and that there would then be an opportunity to discuss the separate paragraphs even though a vote would not be permitted on those paragraphs. I wanted to say something on paragraph 5. I will say it now if necessary, but I would rather do it in orderly fashion as we get down to the paragraphs.

Some hon. Members: No.

The Chairman: If it is the wish to discuss each paragraph separately that could be done as it has been done before.

Mr. Cantelon: I have some remarks to make along the lines of those made by the hon. Member for Regina City. They have to do

with mechanics and the fact that no depreciation allowance is made to them with respect to the tools they own. This is a most unfair situation because the shops in which they work are allowed depreciation in respect of the tools used in those shops. We know that shop foremen are allowed depreciation in respect of the tools they own. Yet ordinary auto mechanics are not allowed to set depreciation against their income tax, though the tools they own may be worth between $700 and $1,000. Obviously they wear out and at present there is no way of recovering the loss. I would direct this matter to the attention of the Minister of Finance.

Mr. Winkler: I should like to say a few words about the first paragraph concerning the income tax exemption currently being considered and made to apply as of July 1. The Government has suggested to the people of Canada that it is greatly concerned about poverty, and anticipates declaring a so-called war on poverty.

Well, in actual fact, judging from the way this legislation goes, this appears to be a war on the poor. It is obvious that those with high incomes will receive the greatest benefit while those in the lower income brackets will be discriminated against. Considering the inflationary trends which are apparent within the country today I say that the war on poverty is working in reverse, as is apparent from paragraph 1.

• (9:40 p.m.)

Let us now consider paragraph No. 4 regarding the cancellation of the $500 tax exemption for individuals at age 65. This is another way of taking money away from those people at a time when they need it most, leaving them in a fixed income tax bracket, regardless of whether the extra income is derived from a private pension, an industrial pension or a professional pension to which the individual taxpayer had contributed.

The point I am making in this regard is, of course, an obvious one. At the same time the Government speaks of a war on poverty, by these provisions it is proposing a $600 per year benefit to individuals earning higher salaries and disregarding those people in lower income brackets. They are attempting to remove the tax exemption of $500 in respect of people age 65 and over. This will be a serious blow to those people, particularly in times of inflation, and there is an apparent trend of this kind. I think there is something wrong in the attitude of the Government in their projection of this measure, particularly when one considers that they have refused on a number of occasions a request by Members of the Opposition to have old age security increased to $100 at age 65.

When we think of the Government giving this money to people in the higher income tax brackets and disallowing it to people at age 65, and when we think of the 11 per cent sales tax imposed on building materials, we are led to believe that the people of this country are being hoodwinked in regard to taxation. I am afraid that the Members of this party will find themselves in the position of having to vote against this measure because of these irregularities in Government policy.

Mr. Moreau: Mr. Chairman, would the hon. Member care to inform the House how much the $100 pension at age 65 would cost, and how he would propose to raise that amount?

Mr. Winkler: We have gone over that ground already. I do not know what the attendance record of the hon. Member is, but had he been around often enough and listened carefully enough to the amendments put forward at the time we were discussing the Canada Pension Plan he would know precisely what I am referring to. I do not intend to go back over that debate again. He knows perfectly well that this could have been done without any increase in taxes. By putting forward the view he has now expressed I am sure that he is limiting his opportunities for re-election in his small riding.

Mr. Moreau: At least I have a riding.

Mr. Winkler: It seems that the Grits always look after their own in some way or other, and it is always the Tories who suffer when the Grits are in power.

An hon. Member: That is pretty small talk.

Mr. Winkler: That may be so, but the hon. Member for Scarborough knows very well that a Liberal is a Liberal, and that if his constituents are smart and listen to what I say his chances will be much slimmer the next time round.

Let me say in conclusion that if the Government could tell us in common sense terms that they are doing something really substantial in the war on poverty through the measure now before us, we would support it, but because we can see nothing but conflict and Liberal politics involved, we on this side of the House will have to vote against the measure.

Mr. Fisher: I should like to ask the Minister whether he could give us some more information than he has given about the

amendment to the income tax regulations, in so far as pollution is concerned, that he hinted would be forthcoming. Would he also answer the question raised by the hon. Member for Comox-Alberni about air pollution, particularly in respect of the pulp and paper industry. Will there be something in the bill that will be forthcoming in this regard and, if not, what kind of information are we going to get as to the actual change in the income tax regulations that will be presented.

Mr. Gordon: Mr. Chairman, I said in the budget speech that faster write-offs would be allowed for people who spent money on anti-pollution projects. This will be dealt with in the regulations to the Income Tax Act but not in this resolution or in the bill which follows it. I am sure when the regulations have been worked out in detail—first of all they will be published in the Canada *Gazette* —that my colleague the Minister of National Revenue will give the appropriate explanation. In my humble opinion this is not the time for such an explanation.

Mr. Fisher: I am wondering to which item now before us the changes in the regulations would relate, and if that—

Mr. Gordon: They do not relate to any of the items.

Mr. Fisher: Mr. Chairman, will you call the items because I intend to attempt to bring this subject before the committee in relation to item No. 10.

Mr. Lambert: Mr. Chairman, the hon. Member for Acadia referred to these matters relating to the regulations before the dinner hour, and to fast appreciation on farm grain storage facilities, and increased depreciation in respect of pollution projects. I should like to know why it was decided to do this by regulation rather than by direct provisions within the Act.

Mr. Gordon: Mr. Chairman, I am delighted to answer that question. Everything related to capital cost allowances, including different rates of write-offs, are provided for in the regulations and not in the Act as special items.

Mr. Cowan: Mr. Chairman, in rising at this time to speak on the resolution I wish to direct my remarks particularly to clause 12A, which is that part of the resolution having to do with the newspaper and periodical industry. In commenting on this subject I should like to emphasize that this has been my life, and if I should be rejected in any future election I shall return to this business, about which I believe I know something. The hon. Member for Port Arthur was kind when he suggested that I was an authority in this field and I thank him for that reference, but let me say that I would not make that suggestion.

The question relating to *Time* magazine and *Reader's Digest* in this country is something which has received a great deal of attention, particularly since the O'Leary report was presented in 1961. However there are other facets of the game which should be considered before precipitate action is taken whereby naturalization is granted to these two magazines which have been established in this country, at least in the case of *Time* magazine, for about three years, particularly when one considers that it takes five years residence in Canada for a human being to become naturalized.

The interesting thing about foreign ownership of Canadian periodicals is this. I subscribe to at least ten foreign-owned magazines printed in Great Britain and the United States of America. I read the *New Republic,* of the United States, as well as the *New Statesman and Nation* of Great Britain regularly. I subscribe to United States periodicals, British publications, and to one French paper, and I have done so for many years. Is there something the matter with my reading a foreign-owned periodical when it comes into the country openly, when anyone can read it and know its contents?

• (9:50 p.m.)

It is stated that it would be bad for Canadian newspapers to be owned by foreigners. I am not going to argue the point one way or the other. But no matter who owns the paper, does not the reader of the periodical make his own judgment as to the ideas being advanced in the periodical? I have read magazines which have been published in Germany on technical aspects of the printing trade, and I think no less of them because they are owned and printed by a firm in Germany than I would of the finest printing trade publications printed in Canada or the United States of America. The fact that a publication may be foreign-owned is certainly nothing to be held against the publication, unless one is so weak-minded that he cannot form a conclusion of his own. The idea that you should not be able to read a newspaper printed in Canada which is owned by foreign interests runs counter to the fact that you can buy books printed in

Great Britain, printed in the United States, printed in Germany, printed in Australia, bring them into Canada and read them. Or are we soon to have laws which say that you cannot read books in Canada unless they have been printed in Canada? I hope we are not living in a hot-house economy in this field.

To grant naturalization to two United States-owned periodicals such as *Time* and *Reader's Digest* will be a body blow to the Canadian consumer magazine industry. At the present time those two magazines are taking from the advertising agencies and the few direct advertisers who are left, something over 54 per cent of the total amount spent on advertising in consumer magazines.

I am of an age that I can recall Canadian magazines which are no longer in business but have gone the way of all flesh, due to competition. I can remember the *Canadian Courier*. I remember when *Saturday Night* was a weekly publication. I remember when *Maclean's* magazine was a weekly publication. I can remember when the Montreal *Standard* was a great and strong publication under Lord Atholstan. Today the Montreal *Standard* is perpetuated in the form of *Weekend*, which is a gravure supplement appearing in a large number of Canadian newspapers. It is making a handsome profit on its present operation but has had to change its entire format to remain in business.

I can remember when *Canadian Homes and Gardens* was a separate magazine but could not meet the competition of those that the hon. Member for Port Arthur called bastard editions, if I may quote him; and if he is out of order we can both be ruled out of order. Now *Canadian Homes and Gardens* is a gravure supplement with the Southam chain. It is a pretty fine publication today, but it is not an independent magazine.

This question of allowing these bogus Canadian papers to continue on with the blessing of the Government has to be faced. Are we going to have a Canadian magazine industry, or are we going to have bogus publications dominating the field? The O'Leary Commission recommended that *Time* and *Reader's Digest* be taxed in a certain manner, one which would discourage advertisers from patronizing them. Senator O'Leary, who is a very much respected man in the publishing world, knows the business. At the time of the report he was President-Publisher of one of our great Canadian daily newspapers and familiar with the problems of publishing in this country. This is shown by the fact that the owners of the periodical of which he was President-Publisher and chief shareholder found it advisable to sell the publication to a much stronger organization, F. P. Publications, who are turning out the paper today.

I do not know whether or not the Members of this House favour individual ownership of newspapers as compared with chain ownership. I personally favour individual ownership. But the competition which is arising in the magazine and publishing industry in this country is such that it almost appears that no one can stand on his own feet, even in the daily newspaper field in Canada unless he has chain support.

Reference has been made during this discussion to the Thomson chain. I have a brother working for the Thomson chain. Reference was made to the McGraw-Hill trade publications. I have a brother, now a naturalized United States citizen, who has been working for McGraw-Hill publications in New York since his graduation from the University of Toronto in 1948. Reference was made to the Toronto *Star Weekly* by some speakers today. I have a third brother who works for the Toronto *Star Weekly*.

Mr. Cyr: Keeping it in the family.

Mr. Cowan: I believe that with the connections I have in the publishing field I know all the facets of it viewed from any side. In answer to the hon. Member for Gaspé I might say that I even have a daughter who is at present working for the Toronto *Star*.

With regard to *Time* and *Reader's Digest* this is a problem which is faced by no other nation on earth. The United States of America is a nation whose people speak the English language, read the English language and are educated in the English language. In Canada there are 19 million people whose predominant language is English. The largest portion of the population reads English and the largest portion of magazines read are published in English. It is possible for publishers in the United States to try to invade the Canadian publishing market by issuing these bogus editions and soliciting advertising in Canada which is the lifeblood of the magazines. This is done, as far as the United States is concerned, in a foreign country. You do not run into a situation where publishers in France publish editions in Spain, or where publishers in Denmark publish editions in Germany, or where publishers in Sweden publish editions in Russia, because the editorial content of the French publication is in

a different language from that spoken in Spain, and so on. But here on the North American continent there is a publishing enigma which is not faced by any other two countries in the world, and so I believe a separate direct method of treatment is required to handle such a situation.

To allow the United States publications to come into Canada and solicit advertising without let or hindrance is a serious matter to Canadian publishers. We talk of the "brain drain" from Canada to the United States. I believe there are a large number of well educated and very capable people continuously emigrating to the United States, and I should like to illustrate how the term "brain drain" originated.

The Chairman: Order. It being ten o'clock, shall I rise, report progress, and request leave to sit again later this day, or at the next sitting of the House?

Some hon. Members: Agreed.

Progress reported.

BUSINESS OF THE HOUSE

Mr. McNaught: Mr. Speaker, tomorrow we will continue the budget resolution. If they should be concluded we will then take up item No. 10 on today's order paper, resuming the debate on the motion of the Minister of Justice to set up a joint committee on penitentiaries, followed by item No. 21, the resolution preceding the Fisheries Improvement Loans Act, and item No. 22, the resolution preceding a bill to provide for the construction of the Canadian National Railways line at Froomfield spur near Sarnia. Then if we have time we will consider Supplementary Estimates A, relating to the Department of Labour, payments under the winter housebuilding incentive program. These estimates were tabled on May 18.

• (10:00 p.m.)

Mr. Starr: That is a longer program than the Prime Minister announced.

Mr. Lambert: On a point of information, Mr. Speaker, in what order will the budget resolutions be called? Will the Customs Act resolution or the Customs Tariff resolutions be first?

Mr. MacNaught: The Customs Act will be first.

Mr. Lambert: And then the Customs Tariff resolutions?

Mr. MacNaught: I am informed that is correct.

[Mr. Cowan.]

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the House under Provisional Standing Order 39A deemed to have been moved.

HEALTH AND WELFARE—ETOBICOKE, ONT.—TREATMENT BY DOCTOR OF NARCOTICS ADDICT

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish tonight to raise the question of the treatment of narcotic addicts by doctors. I do so as the result of a report that appeared in a Toronto newspaper last week that a doctor in Etobicoke was being harassed by the chief of the Federal Narcotics Control Division of the Department of National Health and Welfare. An article in the Toronto *Star* of June 4 quotes the doctor as alleging that the chief of the Narcotics Control Division "is trying to interfere with anyone who treats narcotic addicts because he is afraid that we may show his department up".

The doctor referred to the fact that he has been treating a narcotics addict who has spent most of the last 20 years in jail for illegal possession of narcotics as well as for theft, in order that this addict may get the narcotics he required at a cost of about $100 a day. The doctor's statement has been confirmed in a letter to the Minister of National Health and Welfare (Miss LaMarsh) from the director of the Anglican Correctional Chaplaincy for the Diocese of Toronto, the Reverend S. G. West.

According to the doctor, this patient, one of a number whom the doctor has been treating, has been able to stay out of trouble to stay out of jail and to refrain from theft since he has been treated by him. The director of the Narcotics Control Division of the Department of National Health and Welfare has written to the doctor as follows:

> **The Department of Health and Welfare has no desire to interfere with medicine in the treatment of drug addiction so long as it is within the concept of good medical practice.**

The Government and the Department talk frequently in another context about not interfering in the doctor-patient relationship, but there we have a classic example of Canadian practice in that the treatment for drug addiction is being decided, not by the doctor, not by the medical profession but in fact by the Government, by the enforcement officers of the Department along with representatives of the Royal Canadian Mounted Police.

This question was discussed in a recent issue of the *Canadian Medical Association Journal* and it was stated that it would be better and safer on the whole for doctors to stay away completely from treating addicts. What we are faced with in Canada is a policy which we do not admit exists because we have adopted the very pleasant and safe habit of ignoring all problems. The policy is that if you do not talk about these problems and sweep them under the rug people will be convinced they do not exist.

We have been following the same policy as the United States for the last 50 years in trying to deal with the problem of drug addiction. We have declared drug addiction to be a crime. We have followed the policy of believing that the crime can be eliminated or at least controlled by being ever harder, ever tougher on drug addicts, by watching them by keeping them under the closest surveillance by methods which can only be described as being part of a police state.

It is not my intention to discuss that aspect tonight. We can put the methods on the record on another occasion. This policy has been as complete a failure in Canada as has been a similar policy in the United States, in so far as reducing the number of addicts is concerned. Now, the medical profession, and this doctor in Etobicoke so far as I can find out, have been attempting to experiment with methods which have been used so successfully in Great Britain for a number of years. These methods have been described and explained in Canada by people in recent years, one of whom was Lady Franklin. I am suggesting to the Minister and to the department that they stop working so closely with the Royal Canadian Mounted Police and stop following the police mentality and police methods. They should give the doctors a chance. They should give an opportunity to a few doctors in Canada who have not been harassed, who have not been browbeaten and who are not afraid to try this treatment. They should be given a chance to use medical methods of treatment. They should be given a year or two, whatever is required, so that they would be able to treat these persons as successfully as they have been treated in Great Britain. Then, we may well evolve a policy which may work, in contradistinction to the methods which we have used up until now and which have been a complete failure.

Mr. J. C. Munro (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, after the hon. Member raised this point I referred him to the position taken by the Department with respect to this Etobicoke doctor, and to the Department's feeling that any inference they were interfering with the right of a practitioner to carry on his practice was resented by them. They point out that, in the first place, the narcotics legislation was brought directly in line with the comparable British legislation as regards the right of a doctor to treat narcotics addicts and utilize narcotic drugs in such treatment. The hon. Member has just referred to the British system.

The department has been prepared to give full support to any doctor who undertakes the usually thankless task of treating drug addicts. At no time has the department sought to interfere with the doctor's efforts in this difficult area. The department added that the purpose of treatment in any medical sense is to lead to the reduction of an addict's daily drug requirements and eventually to his ability to abstain completely from reliance on drugs. They do not regard substantial increases in daily requirements as constituting treatment in any medical sense.

I suppose what drew the matter to the attention of the department in the present case was the substantial increases in the quantities of narcotics purchased by the doctor in question. He was asked for an explanation, as is provided under the authority of the legislation. When the explanation was given it became apparent that the daily requirements of the addicts under treatment were progressively increasing over a given period. In the case of one at least, the increase was six times the amount he was being given initially. This was drawn to the attention of the physician, with the suggestion that if he co-operated along the lines recommended by the Canadian Medical Association, there would be no further need to correspond, nor would any further difficulty occur. It is my understanding that the physician has agreed to do so. The physician himself has indicated that he will follow the suggestion of the Deputy Minister, Dr. Cameron and that he will work with these patients through the Alcoholism and Drug Addiction Research Foundation of Ontario. He is most happy to comply with that suggestion.

Proceedings on Adjournment Motion

• (10:10 p.m.)

ADMINISTRATION OF JUSTICE—REVIEW OF CRIMINAL CODE PROVISIONS RESPECTING BAIL

Mr. Reid Scott (Danforth): Mr. Speaker, I rise tonight to voice a plea for the very large number of Canadians who are grossly discriminated against and unjustifiably imprisoned when they are charged with offences and not permitted bail.

Last September 17 our Minister of Justice told me that he was preparing a review of the Criminal Code and that among the items under review would be the question of bail for those in custody. The other day, on June 14, I had thought that after nine months that would have been a sufficiently long time for him to have given birth to some new ideas in this field, and I questioned him about it. But in response to my question he informed me that the whole matter was now to be relinquished and assigned to the special committee.

My indignation was prompted by a series of articles by Martin Friedland, appearing in the *Globe and Mail*, in which he points out the very disturbing relationships between custody pending trial, and the outcome of the case, and the determination of the guilt, and the sentence imposed. For example he points out that 41 per cent of those in custody at trial were sent to jail as opposed to only 13 per cent of those released on bail. Some 79 per cent of those in custody received sentences of one month or more, while only 24 per cent of those allowed bail received such sentences. I have not time to go into the article more fully, but the point is that great injustice exists in Canada with respect to the whole question of bail.

When we raised this nine months ago with our Minister of Justice we thought we had a Minister of Justice who was going to take this matter seriously, who was going to speak out for the people for whom there is no voice, who was going to give some protection to these people for whom there is no one to speak. But we are fast learning that in our Minister of Justice we have a person who is long on promises and very short on performance.

He has had nine months in which to conduct his survey, to think about the rights of these accused people for whom there is no one to speak. He is the man to whom we look for guidance and leadership for these people, and from whom we have got nothing except this last promise, that the whole thing is to be swept under the rug and referred to this committee of experts.

I would have thought that at least out of some sense of humanity and justice he would have brought in some interim regulations which could be amended at a later date, but but that has not happened. These are our fellow citizens who are suffering this unjust discrimination. No doubt the Minister's apologist, the Parliamentary Secretary, will get up and fluff the whole thing off, just as the Minister has done himself.

Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice): Mr. Speaker, first I should welcome the hon. Member for Danforth back to the House. He and I had an assignment here last night on the question of parole but unfortunately he did not make it, perhaps because of the traumatic experience he has been going through as a result of the Ontario redistribution.

The hon. Member has said he is fast learning in this matter. Unfortunately he does not appear to have learned fast enough from his law school training and professional experience that the particular application of bail is a matter subject to provincial jurisdiction. Also, if he had read more closely the articles by Professor Friedland in the *Globe and Mail* he would have found that Professor Friedland's objection was not mainly on the question of the state of the law, but on its application; that he had pointed out that something like 94 per cent of accused in Toronto were being required to post bail rather than being made the subject of summonses, and that this latter procedure now provided in the code, was not being used by the provincial authorities, and more particularly by the police authorities in the City of Toronto.

As long ago as last January I had the opportunity of discussing with Professor Friedland the study on which he was engaged. I have arranged with him to get advance proofs of his study on bail in the Toronto area. I have also made arrangements for him to come down and talk to the officials of the Department of Justice on this important question. As Professor Friedland has pointed out, and as the hon. Member could find out if he read up on the subject with a little care, instead of trying to make a cheap political speech on this matter, the great problem is not with regard to the existing provisions of the Criminal Code or other related Federal statutes in this area, but it is with regard to

their application and enforcement by the provincial authorities.

I do not think anything useful can be added by the choirboy from Brome-Missisquoi. In this regard I would point out to the hon. Member that he might read with care Professor Friedland's study when it comes out—

Mr. Grafftey: What a pompous ass!

Mr. Deputy Speaker: I would point out to the hon. Member for Brome-Missisquoi that the Parliamentary Secretary has the floor.

Mr. Grafftey: Such pomposity I have never heard.

Mr. Macdonald: Only when the hon. Member for Brome-Missisquoi is speaking.

Mr. Grafftey: All the wit in the world.

Mr. Douglas: You can leave, now. You have made your three minute speech.

An hon. Member: Come back tomorrow at ten o'clock.

HEALTH AND WELFARE—INQUIRY AS TO NATIONAL MEDICARE PROGRAM

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I put a question on medicare to the Acting Prime Minister this afternoon. When the answer struck me as being not very satisfactory I suggested that it be posted for one of these overtime periods.

My question was prompted by the interesting announcement made this day, June 15, 1965, that we are going to have colour television in Canada in 1967. This was not only an interesting announcement; I am sure it will be very popular across the country. But it occurred to me immediately that if it is possible for the Government in 1965 to announce colour television some 21 months later it ought to be possible after all the years which have been spent studying the question of health insurance or medicare to make a similar announcement with respect to the intentions of the Government of Canada on this very important subject.

My question is a very simple one, a very narrow one. I did not enter into the whole subject of health insurance and I do not intend to do so tonight. It was this: Is it not possible for the Government some time this summer to make a clear announcement that it is intended to have medicare established in Canada by 1967, which happens to be our centennial year?

The Acting Prime Minister said my question would be given consideration. If by that he meant that within the next few weeks the Government would consider the possibility of making an announcement parallel to the one which was made today, we in this corner of the House would be delighted. We are aware of the many years during which this matter has been under study, the many promises which have been made and all the election campaigns which have been conducted on this issue. Some of us are conscious of the reports which have been given us on this question—the voluminous report of a committee during the war years, for example. Then there was the Marsh report and the Green Books at the time of the Federal-Provincial Conference in 1945. There was the announcement made when we got hospital insurance that medicare, or health insurance as it was called then, was on the way. In the meantime many developments have taken place across the country. There is wide interest in the subject. Some of the provinces are now moving in a way which seems to some of us to be inadequate to meet the situation in accordance with recommendations of the kind made in the Hall report. We think it is a disservice to the people of Canada that this matter should be put off repeatedly.

The Liberals like to boast of the social legislation they have brought in during the years in which they have been in power. I suggest this is a piece of social legislation which should be put on our statute books. I ask the Government to subject itself to the discipline of making a statement as to its target date for medicare. I do not ask for a statement about the Government's interest in medicare and all it has done in the last 15 or 25 years. I simply ask that it give consideration to telling us before this House leaves for its summer recess, or, in the event that there is no recess, before this summer is over, that 1967 is the target year and that in 1967 we will get medicare. If this decision is put off again, year after year, we may have to wait a few more decades. We have waited 46 years already since the first promise of 1919. Surely that is long enough.

• (10:20 p.m.)

Television itself came in only a decade or so ago, yet now we receive an announcement that within 18 or 20 months we can expect to have colour television. I think the Government ought to accept the responsibility for making up its mind that the next social advance to be made, and this would be appropriate for the centennial year, will

be a Canadian medicare plan. I would ask the Government to consider seriously the making of an announcement before this House rises for a summer recess, or before the summer is over, in the event we do not have a recess, that it has decided definitely that we will have medicare in Canada by 1967.

Mr. J. C. Munro (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the Speech from the Throne is in effect a Government announcement, or at least that is its purpose. In that speech it was stated:

> My government believes that public policy should be directed to improving the quality of health services and to ensuring that all Canadians can obtain needed health care, irrespective of their ability to pay. Accordingly my government will at an early date meet with the governments of the provinces in order to discuss with them the way in which federal and provincial action can most effectively contribute to programs that will provide health services to Canadians on a comprehensive basis.

As the hon. Member for Winnipeg North Centre already knows, a Dominion-Provincial Conference is to be held on June 19, and medicare is one of the items on that agenda. The Government has set out the principles it advocates in respect of medicare, and that it should be designed on a universal basis irrespective of the ability to pay. That is certainly an essential element of the recommendation contained in the Hall Commission report. The hon. Member also knows that the establishment of any medicare program requires the co-operation of the provinces, in view of the fact they have paramount jurisdiction in this field. Before any commitment as to a precise date can be made, discussions with the provincial authorities obtaining their feelings on the matter will have to take place. For those reasons it is impossible to predict the precise date of the adoption of a medicare plan.

The hon. Member suggests that such a plan should be put into effect by 1967. If we can obtain the agreement of the provinces so that the whole plan can be worked out in detail, with the implementation of certain of the Hall Commission recommendations, perhaps it can be implemented before that date. Surely the time factor must depend on successful conferences with the provinces, for the reasons I have suggested.

Motion agreed to and the House adjourned at 10.23 p.m.

HOUSE OF COMMONS

Wednesday, June 16, 1965

The House met at 2.30 p.m.

DOMINION-PROVINCIAL RELATIONS

QUEBEC—ADDRESS TO HER MAJESTY RESPECTING PROVINCIAL CONSTITUTION

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, as the Prime Minister indicated on June 1, the Lieutenant Governor of Quebec has transmitted to the Governor General, with favourable advice from the Government of Quebec, the Address to the Queen concerning the powers of the Legislative Council and the Address to the Governor General requesting him to transmit the Address to the Queen, with the assent of the Government of Canada, both of which were approved by the Legislative Assembly of Quebec on May 26. The Address to the Queen requests the passage of a new section 79A of the British North America Act to redefine the powers of the Legislative Council of Quebec.

I should now like to table copies of the Addresses of the Legislative Assembly to the Queen and to the Governor General; of the instrument of advice from the Government of Quebec to the Lieutenant Governor of Quebec; and of an exchange of letters which the Prime Minister subsequently had with Prime Minister Lesage to confirm that the Government of Quebec recommended action in accordance with the Assembly's Address.

To complete the outline of events to this date I may add that on June 8 the Governor General wrote to the Prime Minister asking for his advice as to the action he should take on the Address to the Queen.

In determining the nature of advice that it is the duty of the Government to give to the Governor General in this matter, the Government has given the most careful consideration to every aspect of what is a most complex and genuinely unprecedented situation.

The Address requests an amendment to the constitution of the Province of Quebec. Normally an amendment to the constitution of a province is made by provincial legislation under section 92(1) of the British North America Act. Indeed, the Government of Quebec sought to make the change in this way, but was frustrated in securing passage of the Bill by the Legislative Council, although the legislation had received the approval of the Legislative Assembly. The power of the Legislature to enact legislation under section 92(1) does not remove the jurisdiction of the British Parliament to amend the British North America Act itself, and it is such an amendment that is now sought by the Government of Quebec. The course proposed is entirely constitutional even though it is unprecedented.

Since there is no doubt as to the constitutionality of the course of action the Government of Quebec has recommended, the second question for our government has been the procedure it should follow with regard to it.

The proposed new section 79A of the British North America Act concerns only the provisions in that Act respecting the Legislative Council of the Province of Quebec. It affects neither the Parliament of Canada, the Government of Canada, the operation of the laws of Canada, nor any other province. The proposed change is in no way repugnant to the other provisions of the British North America Act. In short, this is a purely provincial matter of concern to Quebec alone. Because of these features, the proposed amendment is without any precedent in our history. We have never had an amendment to the British North America Act that concerned the constitution of only one province without concerning any other province, and which did not concern the federal authority.

The White Paper on Constitutional Amendment points out that a constitutional practice has developed that the sanction of Parliament is required for an amendment to the British North America Act. But that practice grew up in relation to amendments that concerned Parliament, the Government of Canada or the relationship between the Federal Government and the Provinces. What the Government has had to consider is how this practice relates to an unprecedented type of amendment.

The precedents with regard to amendment of the B.N.A. Act are listed on pages 11 to 15 of the White Paper on the Amendment of

the Constitution of Canada which was tabled in this House on March 2, 1965. Hon. Members can readily confirm that not one of them was like the present one in being purely in relation to the constitution of one province. On those facts it is clear that the "principle" enunciated on page 15 of the White Paper, that the "sanction of Parliament is required for a request to the British Parliament for an amendment to the B.N.A. Act", does not apply to the present case.

For the same reasons it is equally clear that the opinion expressed by the House of Commons of 1871, as set forth on page 11 of the White Paper, does not apply. The House of Commons of that day adopted a resolution expressing the opinion that " . . . no changes in the provisions of the British North America Act (would) be sought by the Executive Government without the previous assent of the Parliament of this Dominion". That view does not apply to a change sought by the Government of a Province relating solely to the Constitution of that Province.

Moreover, in a purely provincial matter of this kind, it seems to the Government that it would be wrong to act on a basis that appeared to suggest that Parliament could sit in judgment on the action of a Province within its own constitutional sphere. The Government has assumed that Parliament would not wish to do anything which would either deny the right of a Province to have its own Constitution amended in an entirely constitutional way, through amendment of the British North America Act, or to imply that the Federal Parliament has through an Address of the Senate and House of Commons the right or power itself to decide what the internal organization of a particular provincial authority should be. Apart from the office of Lieutenant Governor, those are matters which concern that province alone and not the Senate or House of Commons in Ottawa.

We have consequently come to the conclusion that the Government should advise the Governor General and, through him, the Queen to act in this matter in accordance with the advice of the responsible provincial Ministers, with whom alone the Government of Canada can properly communicate on matters relating to the Provinces as such. The Government of Canada comes into the matter because it has a responsibility to advise the Governor General and the Queen. The Canadian Government also must make the determination that there is not any aspect of the proposed change that is of Federal concern. The Government has made that determination and intends to assume its constitutional responsibility of advising the Governor General and the Queen. The Government's advice will be favourable to the action requested for the reasons I have mentioned.

In case there is any doubt as to the propriety of revealing advice to the Crown before it is actually given, let me say at this point that, for ample caution, the permission of both the Governor General and the Queen has been secured to inform Parliament of the course that is intended.

To complete the elements of this complex problem that the Government has considered, let me say that the basic position of the Government would not differ as between an Address to the Queen from the elected Legislative Assembly and one from the appointed Legislative Council. The essential question in this matter which concerns Quebec only is the advice of the responsible provincial Ministers. The Government is satisfied, after an exhaustive study of the matter, that the course I have outlined is the right and proper one in an unprecedented and difficult situation.

However, in a matter of this kind the Government is not prepared to act formally until this House has a chance to express a view if it so wishes. In accordance with its opinion that this is a matter that concerns only the Constitution of Quebec, the Government does not propose to introduce any Address or Resolution calling for parliamentary action by both Houses. The Prime Minister stated on June 14 that the House would have an opportunity of expressing its views on this matter before any request was made of Her Majesty or of the British Government. Accordingly, to provide this opportunity the Government will be prepared to introduce a supply motion next Monday so that Members of the House may express their views on the course which the Canadian Government has decided to follow. No advice will be formally tendered to the Governor General or to the Queen until that opportunity for the expression of opinion in this House has been provided.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, may I say at once that the only notice that we of the official opposition received from the Government that this matter would be brought up today was two minutes' notice in advance of the opening

of this House; when a copy of the statement to the press was, by the grace of the Secretary of State for External Affairs, given to those who would have to discuss it. This is but another example of an attitude on the part of the Government that is not in keeping with the traditions of Parliament.

I say at once that the alleged opportunity given to the House of Commons to discuss this matter by calling a supply motion on Monday next is an evasion of Parliament. It simply amounts to this, that the Government has not got the backbone to introduce a resolution in the House of Commons but wants to determine what shall be the amendment moved by the Opposition. This is a further step along the road of control that had its beginning when this Government took office and which it has followed since. Let the Government make its recommendation by an Address and bring it before Parliament.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: It has been said—my quotation may not be correct but it is to the point—

O, what a tangled web we weave,
When first we practise to deceive!

This certainly applies to the Government in regard to this matter.

What is this course that is being adopted? I had the opportunity as the hon. gentleman read the statement to read it along with him, and I can summarize it in this way. This course is one that is dangerous to the Canadian constitution and its preservation.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: I am not arguing the question whether there should or should not be a second chamber in the province of Quebec.

Mr. Sharp: Why not?

Mr. Diefenbaker: I have my own views with regard to the unicameral system and the bicameral system, but that is not the issue here.

Do you know what happened, Mr. Speaker, in this matter? Arrangements were made under the table between the Prime Minister of Canada and the Premier of Quebec; and if the Cabinet do not know about them they had better read what Mr. Lesage said as to the arrangements in the Legislature of Quebec. An arrangement was made between them in the spirit of what they now call co-operative federalism, which more and more is becoming a system of under the table arrangements, whereby the Prime Minister of Canada agreed to recommend to Her Majesty the Queen the acceptance of a resolution by one House of the Legislature of Quebec.

The Constitution clearly provides that the Legislature of Quebec consists of the Queen, the Legislative Council and the Legislative Assembly. That is the fact, and they agreed to this. They undertook to do whatever the Premier of Quebec wanted done, but they would not admit it in the House. I asked the Prime Minister, and he said there had been no agreement whatsoever and no arrangement whereby a resolution of one House, the Legislative Assembly, would be accepted and that recommendation passed on to the Crown. Having taken that stand—and I can quote from the Prime Minister's words—when finally it became apparent that this House would find out the fact and that the letter sent to Mr. Lesage would have to be produced, then the Prime Minister admitted that discussion in that connection had taken place.

This to me is a serious matter, and do you know what is behind it? It is the smiling Minister of Justice, the leader of the new guard. The leader of the new guard had to find a way whereby he could shove through the formula for the amendment of the Constitution. It was feared that as long as there was a Legislative Council he and those associated with him would not be able to force through the formula, and Mr. Lesage admitted that in the legislature. Something had to be done before the amendment formula was brought before the legislature, and the means followed were these. It first started with an address which passed the Legislative Assembly, was amended by the Legislative Council and then was withdrawn. It was realized that the hopes of the new guard, the old guard or the discards would not and could not be made effective, so they decided on a short cut.

Section 92(1) of the British North America Act provides that the Legislatures of Provinces have the exclusive power to amend the Provincial Constitution except as to the office of the Lieutenant Governor. This is an amendment of the Constitution of the Province of Quebec, and no amount of serious philosophy such as appears in the statement made by the Acting Prime Minister can get over this fact.

What is the legislature of Quebec? Under section 71 of the B.N.A. the legislature consists of the Lieutenant Governor and of two Houses, styled the Legislative Council of Quebec and the Legislative Assembly of Quebec. What is being done here? The Federal

Government, afraid to face Parliament by standing for what it states it believes, in a speech made today by the Acting Prime Minister seeks a devious and unconstitutional course so the Prime Minister's agreement with the Premier of Quebec can be carried out. Does this mean that the Constitution is to be turned aside when it is convenient to do so? The answer must be in the affirmative, and that is the reason the Government adopts this ludicrous proposal of promising to give the House of Commons the opportunity of debate, as set out in the statement:

Accordingly, to provide this opportunity—

That is, for the expression of the views of this House.

—the Government will be prepared to introduce a Supply Motion next Monday, so that Members of the House may express their views on the course which the Canadian Government has decided to follow.

Then, wrapping themselves in the garments of constitutional purity, these words were added:

No advice will be formally tendered to the Governor General or to the Queen until that opportunity for the expression of opinion in this House has been provided.

How nonsensical can a Government become, to use our supply motion in order to provide that opportunity. This Government has no backbone. This is another example of a Government that reminds me, as I have said on other occasions, of a cushion that bears on itself the marks of the last person who sat on it. They have been told what to do. They promised what they would do, and now they carry out the promise.

I mentioned the promise. The Premier of Quebec, with unusual frankness—and I have the *Hansard* here for those who would read—said it would be impossible to bring about the end of the Legislative Council if the formula to amend the constitution were accepted. In other words he is saying that we have a formula and we want to bulldoze it through, but we will not be able to get it through the legislative council. Therefore let us remove the legislative council's powers by a recommendation through the Government of Canada. This is playing ducks and drakes with the constitution simply because of the promise that was made by the Prime Minister to the Premier in the month of February. In other words, the fact that the Premier of Quebec has so stated indicates that he recognizes that once the so-called Favreau formula—

Some hon. Members: Fulton, Fulton.

[Mr. Diefenbaker.]

Mr. Diefenbaker: Mr. Fulton has already disavowed it in a statement he made the other day.

Mr. Deputy Speaker: Order, please. The Acting Prime Minister has made a statement on motions, and my understanding of the rules is that the leaders of the other parties are entitled to comment on the contents of the statement but not to debate it. I have some doubts as to whether this is not what the Leader of the Opposition is doing now. Perhaps he would want to bear this in mind.

Mr. Diefenbaker: I am not trying to debate it; I am trying to throw some light on the nefarious conduct of this Government. If I were to debate it I would be quoting the precedents.

Mr. Deputy Speaker: Order. Perhaps I might add that the statement made by the Acting Prime Minister indicated that an opportunity would be given to debate it on Monday, and that might be the time to debate the matter.

Mr. Diefenbaker: Mr. Speaker, you are always very fair, but you certainly cannot be asking us to allow the Government to tell us what amendments we are going to move.

I have before me all the various instances that have occurred since 1867. I am not going into them except to say this, that the statement made by the hon. gentleman today to the effect there is no precedent that can be used is entirely without basis in fact.

Mr. Churchill: It is false.

Mr. Diefenbaker: Well, that is an expression you are not allowed to use in Parliament unless you belong to the Government ranks. I say this. If I were to argue the case I would refer to two instances in which the very reverse of what is being done here form the precedents.

I said a moment ago that this goes back to a promise, denied in this House by the Prime Minister when I asked him about it, but then when it became apparent that it would be revealed, he admitted it. Here is what Mr. Lesage said on May 11 as reported on page 2,441 of the debates of the Quebec Legislative Assembly, and I am translating from the French. "Without doubt", Mr. Lesage said, "I am going to read the text which has been written by Mr. Pearson and by me". Then it says, "The Prime Minister of Canada said that his Government, if the Legislative Assembly of Quebec approves the Address to the Queen which he proposes to submit

to it, this Address would be transmitted to Her Majesty with favourable notice—avec avis favorable"—my French may not be good, but my understanding of the words and the translation is good.

The promise was made. Now what are they going to do? They talk about colonialism, and then they take this over to the United Kingdom. They recommend, in effect, that it be accepted, in spite of the fact that the Legislative Council which is part of the Legislature of Quebec has taken a different view. What do they do? They place it on the doorstep of the United Kingdom. They place the Queen in the arena of party politics. I regret this action, but they would do anything to escape the consequences of the promise that ought not to have been made by the Prime Minister to the Premier of Quebec. The Address to the Queen is being used as a club by the Federal Government and the Government majority in Quebec to coerce one of the branches of the Quebec Legislature into assuring approval of the Favreau formula.

This is an action that I protest. I say that the statement made by the Minister today is a massive evasion and does not reveal the facts in so far as the constitutional development of our country is concerned, and constitutes an action that cannot be justified. It means that Premier Lesage agrees with us as to the freezing effect of the formula for amending the constitution, because afterward there cannot be any changes. I underline that.

Amendments to curb the powers of or abolish second chambers have been attempted before. I have before me, but I shall not read it on this occasion, an extract from the report of the committee of the Privy Council of Canada, approved by His Excellency on October 8, 1894, when the abolition of the second chamber in Nova Scotia was to take place. The decision in this case was as follows:

> The Minister, in conclusion, observes that if Her Majesty's Government should think the circumstances sufficient to warrant so grave a step as their support to any amendment of the British North America Act, 1867, to enable the Legislative Council to be abolished by proclamation, it would seem to be quite contrary to the spirit of the constitution that such a proclamation should, at any time, be a measure for the consideration of Your Excellency, for the reason that such matters are not, according to the Constitutional Act, under the control or supervision of Your Excellency and your Ministers with regard to any of the provinces.

Finally they agreed years after, and the institution was abolished.

I take the strongest objection to this attitude on the part of the Government of playing fast and loose with the constitution for political purposes, to carry out political promises that ought not to have been made.

Some hon. Members: Hear, hear.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, first I want to protest having a matter as complex as this brought up on motions, with those who are expected to comment on it given no notice whatever about the nature of the statement which the Government was going to make.

Some hon. Members: Hear, hear.

Mr. Douglas: I received this statement which was to be made by the Acting Prime Minister just as I was coming down to enter the Chamber. I have had no opportunity whatever to peruse it, and it seems to me if the Government is going to make statements on matters that are of as far reaching importance as this, we ought to have some opportunity to look at these statements, and some warning in this regard.

Also Mr. Speaker, I want to protest against the suggestion of the Acting Prime Minister that this House should be satisfied to discuss the matter on a supply motion next Monday. This is becoming a very bad habit with the Government, of trying to sneak things in under some other item. Right now we are having the problem of the exclusion of certain American magazines amidst 18 other items in a budget resolution, and at times we have had $1 estimates to cover quite wide programs.

Now the Government is virtually seeking to get approval for an amendment to the British North America Act without consulting Parliament. When the Acting Prime Minister says we can have a debate on the motion to go into supply, may I point out that this involves a motion of confidence; that those who want to register their objection would have no choice but to defeat the Government; that if the supply motion should pass, in spite of the protests of those who may object to the subject matter under discussion, the Governor General in Council will still be the body that will be forwarding this proposed amendment to Her Majesty the Queen, and not the Parliament of Canada.

Not since 1871 has the executive ever sought to exercise the authority to recommend amendments to the constitution without consulting the elected representatives of the people of Canada. Why are we being asked to act as rubber stamps for this Government?

There is no doubt, Mr. Speaker, as to where this party stands with reference to the abolition of upper chambers. We do not want to become involved in any internal disputes in the Province of Quebec, but the constitution has to be complied with and there are procedures set down which ought to be followed.

An hon. Member: Explain.

Mr. Douglas: I am just going to explain, if the hon. Member will be patient. I would be glad to explain, but I am not sure that in giving my hon. friend an explanation I can give him the intelligence with which to understand it.

The Acting Prime Minister says the resolution passed in the Commons in 1871 does not apply. That resolution said that "no changes in the provisions of the B.N.A. Act would be sought by the executive government without the previous consent of the Parliament of this Dominion."

Mr. Martin (Essex East): That is right.

Mr. Douglas: The Acting Prime Minister says that does not apply, as this has to do only with the Province of Quebec. In the next paragraph in his statement he says:

> The Government has assumed that Parliament would not wish to do anything which would either deny the right of a Province to have its own constitution amended in an entirely constitutional way—

Mr. Martin (Essex East): That is right.

Mr. Douglas: But, Mr. Speaker, the fact is that it is not being amended in a constitutional way.

Mr. Martin (Essex East): Of course it is.

Mr. Douglas: If this matter pertains only to the Province of Quebec, then the Province of Quebec can amend its own constitution.

This refers to section 72 of the B.N.A. Act, and in 1941 the Province of Quebec amended the Legislature Act. It has the power to amend the act now without reference to this Parliament or to Her Majesty the Queen, but the reason it has not amended the Act is that the Legislative Assembly cannot get the concurrence of the Legislative Council. For that reason it is now asking the Government of Canada to forward an address to Her Majesty the Queen so that one section of the Legislature of Quebec may ask for an amendment.

Mr. Diefenbaker: To do what the constitution says cannot be done.

Mr. Douglas: The moment that was sent to the Government of Canada the Government of Canada had to decide whether it was going to forward it, but in our opinion the Government cannot forward it without submitting it to Parliament.

Some hon. Members: Hear, hear.

Mr. Douglas: So long as this matter can be dealt with by the Legislative Assembly of Quebec, then it is a Quebec matter; but the moment it is forwarded to the Government of Canada then it becomes a matter for Parliament.

When the Acting Prime Minister says we can have a debate on the supply motion I am sure he realizes that the debate would only be in this chamber. Is the other place to have no voice in discussing this matter? If this were to become a unicameral Parliament I would be very happy, but let us do it properly and not by ignoring the other place. I certainly hope it will not be too difficult to persuade the Government to use the same method to abolish the upper chamber in this Parliament that is being used to abolish an upper chamber in a province.

I think, Mr. Speaker, we have a right to demand that the Government, if it is favourable to the address passed by the Legislative Assembly of Quebec, bring that address into this Parliament. If there is to be a change in section 72 and the other relevant sections of the B.N.A. Act, then those changes ought to be contained in an address by the Parliament of Canada, not merely passed on by the executive without any reference to Parliament.

When I think of all the speeches hon. gentlemen opposite have made about having due regard for Parliament, and now they are going to recommend to Her Majesty the Queen by executive authority, a change in the constitution of Canada without any reference to Parliament Mr. Speaker, it does seem to me that this action will live to haunt the Government, revealing as it does the hypocrisy of all its pretensions about its devotion to Parliament.

Some hon. Members: Hear, hear.

Mr. Martin (Essex East): Would the hon. Member permit a question? I know the hon. gentleman did not intend to say we were amending the constitution of Canada. What is being amended is that portion of the constitution which, under the constitution, remains the exclusive province of the Province of Quebec.

Some hon. Members: Oh, oh.

Mr. Douglas: Even a layman like myself knows what humbug that statement is, Mr. Speaker. If this amendment is solely within the jurisdiction of the Province of Quebec, then the Province of Quebec can deal with it without reference to the Federal Government at all. The fact is that they are not able to do so because they cannot get the concurrence of the upper chamber. So they are seeking an amendment not to the Legislature Act of Quebec but to the British North America Act; and these gentlemen opposite who have talked about democracy and their devotion to parliamentary government are now proceeding to ignore Parliament and act by executive authority alone in making a recommendation to Her Majesty the Queen which in my opinion sets Canada back 90 years.

Some hon. Members: Hear, hear.

Mr. Douglas: I want to tell the Government here and now that we shall not be satisfied with a debate on the supply motion next Monday. We shall insist, and keep on insisting, that the Government bring this address before Parliament. If this matter is to be handled by the Federal Government it must be handled by Parliament. I contend that the Government has no right to make any recommendation to Her Majesty on anything affecting the constitution of Canada without the advice and consent of this House and the upper chamber.

Mr. Martin (Essex East): That is right.

Mr. Douglas: The Acting Prime Minister says "That is right". If it is right I suggest that he bring an address before this House asking Her Majesty the Queen to agree to the proposals made by the Legislative Assembly of the Province of Quebec.

Mr. Martin (Essex East): If it affects the Parliament of Canada.

Mr. Douglas: If the Government refuses to do this and bypasses Parliament, then the people of Canada will know that this Government is setting aside any pretensions it ever had of respect for parliamentary government and the constitution of this country.

Mr. R. N. Thompson (Red Deer): I should like to join in the protest which has been made by previous speakers because we did not have a chance to see this document—

Some hon. Members: That's a change.

Mr. Thompson: Mr. Speaker, we have listened now for 45 minutes to a debate on this question. We in this group have given an attentive hearing, although I was not aware that a statement made on motions entitled the House to engage in a full debate. It seems to me that the same respect and courtesy we gave could be extended to us now.

I think it was unfortunate that the Acting Prime Minister did not make copies of his statement available to us before we entered the House; they were handed to us only as we came in to the chamber. Having said this, I doubt very much that we have the right to consume the afternoon in a debate on this subject, whether or not we agree with the Minister's statement, especially since we are not fully prepared to take up this subject.

Some hon. Members: Oh, oh.

Mr. Thompson: I cannot imagine this statement being prepared without the legal advisers of the Crown having given careful study to its contents. I believe we are dealing now with something which is certainly very rare as far as the Constitution is concerned, even if it is not altogether unprecedented. I think, therefore, the Government should have provided an opportunity for us to debate this question in circumstances other than those which arise on a supply motion. As I say, I do not think we are entitled to enter into a full debate on the issue this afternoon.

There is one point in the Minister's statement which impresses me. It is that this is purely a provincial matter of concern to Quebec alone. I believe this to be correct. Quebec is the only province in Canada which still has an upper house, and it seems to me that the organization of the structure of government within a province and the jurisdiction for which that Government should be responsible must belong to the elected Members of the provincial legislature.

I believe some Members of this House have been losing sight of a basic principle here. If this matter does concern strictly the Province of Quebec, then those responsible for decisions relating to the organization of Government within that province must be those who are elected as representatives of the people of Quebec. We live in a democracy. We say we believe in democracy. If that is so, then responsibility rests with those who have been elected to the assembly, provided always that the issue is strictly a provincial one.

The hon. Member for Burnaby-Coquitlam told us that never before had an amendment to the constitution been made without con-

sultation with the people of Canada. However, this particular issue is one which relates only to the people of Quebec; and whether or not we agree with this action which has been taken in relation to the upper house in that province, it is the representatives elected by the people of Quebec who should have the say. I would say this is within their constitutional authority.

Some hon. Members: Oh, oh.

Mr. Thompson: Again I would ask those Members who are interrupting to show the same respect in listening to what I have to say that we gave to the leader of their own party. I will say this. I do not believe it is the constitutional right of the Province of Quebec to deal directly with the Crown, and therefore the transmission of their message—if they believe this is what should be done—should be carried out through the Federal Government.

I realize that the Minister's statement was made as a result of this problem having been placed before the Governor General, who approached this Government and asked for advice. This has been the advice. I believe it would have been much better for the Government to have sought the advice of Parliament, because I believe the transmission of such a request must be done through Parliament. Nevertheless, let us not lose sight of the democratic principle that the people of Quebec through their elected representatives have the final responsibility as far as this type of action is concerned.

I do not think we should prolong this debate further. Again I urge the Government to provide this House with an opportunity to discuss this issue in circumstances other than those which arise in connection with a supply motion. According to the Minister's statement a decision has already been made, so what is the use, after all, of bringing the matter before the House at all? It would do no more than provide us with an opportunity to state our various opinions. Still, it seems to me only reasonable that this subject should be brought before the House so that we may debate it in an appropriate manner.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, it can be clearly seen that this problem places us in a very complicated situation and on the horns of a dilemma; indeed, for many of us, this procedure is quite unorthodox and often contrary to general opinion.

Surely suggestions can be made to solve that problem.

May I mention that the person mainly responsible for the dilemma facing us today is the Quebec premier, because he has been elected to take care of Quebec's problems and he has no business transferring those problems to the Ottawa government, the London government, the Governor General or the Queen.

In two elections, he cried: "Masters in our own house"! But now he can no longer settle his own problems, having to place them in the hands of other governments, of the governor general and of the Queen, etc., etc.

It is a problem for Quebec, not for Parliament in Ottawa. It is none of our business, it is Quebec's business.

I was glad to hear, a moment ago, the Secretary of State for External Affairs (Mr. Martin) say that it does not concern us, that it is not our problem, and that is a fact. If the matter has been placed in the hands of the federal government the latter should send it back as quickly as possible to the government of the province of Quebec telling them to solve their own problems. I am sure that when the citizens of Quebec read in *Hansard* tomorrow that all of us here said in turn that it is none of our business, that it is Quebec's business, then the Quebec government will realize how humiliating it is for them to have asked someone else to settle their own problem when they could have settled it in Quebec.

The responsibility rests mainly on the Quebec Premier who was unable to settle a problem coming exclusively under Quebec jurisdiction.

Others are also responsible. Members of the cabinet, especially Quebec ministers, are responsible for the mess we are in. The petition was sent to the Governor General in order to be forwarded to the Queen. It was not sent to parliament. The fact that parliament is taking over constitutes a diversion of mail; it is diverting letters from their destination. The petition is addressed to the Queen and when ministers take it and bring it before parliament, this means that they are opening letters before they should and diverting them from their addressee.

Why submit it to parliament? Send it to London, to the Queen, and she will deal with it; it is no concern of ours.

I think the Quebec ministers are more responsible than others, because they had no business, since they know how proud are the people of the province of Quebec, to bring that matter before parliament. The joy was particularly evident on the face of the

Leader of the Opposition, because he knew that he could once again sling arrows in the back of the province of Quebec.

Everybody noticed—

[*English*]

Some hon. Members: Order.

Hon. Michael Starr (Ontario): Mr. Speaker, I rise on a question of privilege. The hon. Member for Lapointe is continually making these charges without any foundation whatsoever.

Some hon. Members: Oh, oh.

Mr. Starr: Because of this I have come to the conclusion, as have many Members in this House, that he has been a detriment to Parliament, and he has degraded Parliament ever since he came here.

Some hon. Members: Hear, hear.

[*Translation*]

Mr. Grégoire: Mr. Speaker, the truth hurts. This is just another example. It is true, and everyone knows it, even the members of the Progressive Conservative party—two of whom sitting right across from me have left the party—because that is the truth. As for the others, it is just that they haven't the courage to do so—

Mr. Deputy Speaker: Order. I believe the hon. member for St. Hyacinthe-Bagot (Mr. Ricard) wishes to rise on a question of privilege.

Hon. Théogène Ricard (St. Hyacinthe-Bagot): Yes, Mr. Speaker, I rise on a question of privilege. The hon. member for Lapointe has just said that the members from the province of Quebec should protest against the Leader of the Opposition's words, which are insulting toward Quebec.

Mr. Speaker, I come from the province of Quebec myself and I cannot help but say that the lies uttered by the hon. member for Lapointe are an outrage against the province of Quebec.

And far from agreeing that the Leader of the Opposition is against the province of Quebec, I say that he is the one who, in the house, has proved to be the most anxious to preserve the rights of the province of Quebec.

Some hon. Members: Oh, oh.

Mr. Deputy Speaker: Order.

[*English*]

Some hon. Members: Hear, hear.

Mr. Deputy Speaker: Order, please. May I suggest that we seem to be getting away from the substance of the statement made on motions by the Acting Prime Minister. I would ask the hon. Member for Lapointe to cease and desist making these personal allusions. Certainly nothing can be gained in this kind of debate by making this type of allusion. I suggest that the hon. Member for St. Hyacinthe-Bagot also used rather strong language—

Some hon. Members: No.

Mr. Deputy Speaker: Order, please. I am sure all hon. Members would admit that we should try to avoid using this type of language. In any event, I would ask the hon. Member to keep in mind the provisions of our Standing Orders and limit his contribution as closely as possible to the subject matter of the statement made by the Acting Prime Minister.

Mr. Muir (Cape Breton North and Victoria): The hon. Member for Lapointe is a disgrace to Quebec.

Mr. Ricard: Mr. Speaker, I rise again on a question of privilege. I take objection to the fact that you mentioned a while ago that I used strong language. I think I have used only decent language, and I would like to bring to your attention that I have been speaking as a French Canadian who recognizes the facts as they are.

Some hon. Members: Hear, hear.

[*Translation*]

Mr. Speaker: The hon. member's standards may be different from other member's. He used the word "lie" which, in my opinion, is unparliamentary.

Mr. Ricard: Mr. Speaker, if you do not like this word, I will readily withdraw it. As for everything else I said, I say once again that it was well within the truth.

Mr. Speaker: Only this word has offended the Chair.

Mr. Grégoire: Mr. Speaker, I do not mind whether the hon. member withdraws or does not withdraw the word "lie"; his insults leave me quite indifferent.

Mr. Valade: You mean insignificant.

Mr. Grégoire: When I saw him rising on a question of privilege, I thought he was claiming the privilege of sitting as independent.

To revert to the matter under discussion, I would point out that all this occurred because the Government of the province of

Quebec tries to force the people of Quebec to swallow the notorious Favreau-Fulton formula. It wants to adopt it despite public opinion.

I suggest that this problem could be settled as follows: let the people of Quebec decide for themselves, through a referendum or an election. Let the people of Quebec decide, and they will be happier to have done so themselves than to have left the decision to Ottawa, London or the Queen of England.

I believe that the best solution would be for the Government to return to Quebec, as soon as possible, all this bundle of documents, so Quebec can settle and solve its own problem. If it cannot settle it, then the people should find better representatives who will settle it, because it is easy to solve to the advantage of the people of Quebec.

[*English*]

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

PRINCE EDWARD ISLAND-NEW BRUNSWICK CAUSEWAY

Question No. 135—**Mr. Macquarrie:**

1. How many private firms or organizations have submitted proposals for the construction of the P.E.I.-N.B. causeway?

2. What are the names of such groups?

3. Has any decision been reached as to whether the causeway will be constructed under governmental or private aegis?

4. Has any decision been reached as to whether the causeway will carry rails?

5. If not, when is such a decision likely to be made?

6. Is construction to commence in the year 1965 and, if so, on what date?

Answer: 1. Representations have been made by Northumberland Consultants Limited and The Island Development Company.

2. See answer to No. 1.

3. No.

4. A decision on the final design or construction of the causeway will not be reached until studies have been completed and the consultant's report has been reviewed.

5. See answer to No. 4.

6. See answer to No. 4.

INCREASED SERVICES FOR PLEASURE BOAT TRAFFIC

Question No. 241—**Mr. Stefanson:**

What steps has the government taken to formulate a policy to provide services for increased pleasure boat traffic on Canada's lakes and rivers, and when will this policy be implemented?

[Mr. Grégoire.]

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): The formulation of government policy in respect to this matter is under active consideration by the government and when a decision is reached it will be made public.

COURT ACTION BY WALSH ADVERTISING CO.

Question No. 252—**Mr. Aiken:**

Within the last 10 years has Walsh Advertising Company Limited of Toronto brought action in the courts against the Government of Canada and, if so, on what date, in what court and with what result was this litigation carried on?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): Yes, on December 17, 1957 in the Exchequer Court of Canada. The result was judgment in favour of Walsh Advertising in the sum of $13,000 and costs.

WATER AND SEWER INSTALLATIONS, C.N.R. SECTION HOUSE, AVONLEA, SASK.

Question No. 424—**Mr. Watson (Assiniboia):**

1. Who were the C.N.R. officials responsible for calling tenders for the installation of sewer and water systems in the section house at Avonlea, Saskatchewan?

2. Is it the practice of the C.N.R. to install such facilities on C.N.R. properties for appearance sake only?

3. Are there sewer or water connections available for this property?

4. What is the deficit in this department of the C.N.R.?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): The Management of Canadian National Railways advise as follows:

1. The company's engineering officers in Saskatchewan.

2. No.

3. Sewer and water connections are not available on railway property; however, application has been made for an easement through school property to enable connections being made to the town facilities. Approval is expected momentarily and until received, the regular country convenience is being used.

4. The engineering department is a service department and as such has no income. Expenditures are governed by budgetary control.

ARMED FORCES RECRUITMENT

Question No. 533—**Mr. MacLean (Queens):**

Is recruitment for the Armed Forces done by allotment of requirements to areas in Canada and, if so (a) where are these areas (b) on what basis are the allotments made (c) what have been the

allotments for each area since 1962, or since this system came into effect, whichever is the more recent?

Hon. Paul Hellyer (Minister of National Defence): No, recruiting requirements are established annually in total for each service and adjusted from time to time as necessary in the course of the year. For administrative and management purposes recruiting units are assigned target recruiting figures based on past experience of recruiting performance and these are co-ordinated at Canadian Forces headquarters in accordance with the over-all requirement.

AIR CANADA SERVICE TO PROVINCIAL CAPITALS

Question No. 551—**Mr. Mullally:**

1. Has the government received, at any time, a request for the establishment of regularly scheduled Air Canada service to and from Charlottetown, P.E.I.?
2. How many provincial capitals are not served by regularly scheduled Air Canada flights?
3. How many Canadian cities with a population of over 25,000 do not have such service provided?
4. How many Canadian cities with a population of under 25,000 do have regularly scheduled Air Canada service?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): 1. The Air Transport Board advise that they have no record of any request for the establishment of a regularly scheduled Air Canada service to and from Charlottetown, P.E.I.

Regarding parts 2, 3 and 4, the Management of Air Canada advise as follows:

2. One, Charlottetown, P.E.I.

3. 26.

4. 6.

DEVELOPMENT SURVEYS, P.E.I.

Question No. 552—**Mr. Macquarrie:**

1. What officials of government departments or agencies attended the recent meeting in Charlottetown to discuss resource development and allied subjects?
2. What departments or agencies are planning to participate in development surveys of Prince Edward Island?
3. What survey projects are contemplated and what will be their scope and area of study?
4. What is the estimated cost of each such survey?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1. Mr. A. T. Davidson, Assistant Deputy Minister (rural development) Department of Forestry; Mr. R.R. McIntyre, Chief, Soil and Water Division, ARDA, Department of Forestry; Mr. J. A. Bergasse, Area Development Agency, Department of Industry.

2, 3 and 4. The Province of Prince Edward Island is negotiating at the present time with a private firm for certain rural development surveys, but provincial proposals have not yet been completed and no federal department or agency has been requested to participate. Since the Provincial Government is still considering the type and scope of such development and the recent meeting consisted only of preliminary discussions, no federal department or agency is planning to participate in development surveys of Prince Edward Island at this time.

INFORMATION RESPECTING MONEY SUPPLY

Question No. 567—**Mr. Caouette:**

1. What was the money supply during the last five years?
2. What are the components of the money supply?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): 1 and 2. Statistics of notes and coin held outside banks and of the various categories of deposit liabilities of the chartered banks over the period in question may be found on page 298 of the Bank of Canada Statistical Summary for May 1965.

MRS. C. SAUVÉ, NORTH BAY, ONT.—SEARCH OF PREMISES

Question No. 600—**Mr. Orlikow:**

1. Did R.C.M.P. officers, including Staff/Sgt. Linden, visit and search the home of Mrs. C. Sauvé of North Bay, Ontario on or about April 15, 1965?
2. Did R.C.M.P. officers identify themselves to Mrs. Sauvé when they called on her home on or about April 15, 1965?
3. Did the R.C.M.P. officers question Mrs. Sauvé about an article which she had written for possible sale to *Maclean's* or to the Toronto *Globe and Mail*?
4. Did the R.C.M.P. officers take, from Mrs. Sauvé's office, correspondence and manuscripts?
5. Did the R.C.M.P. officers who questioned Mrs. Sauvé and search her home inform Mrs. Sauvé of her right to refuse to answer questions and of her right to have legal counsel present when she was questioned?
6. Did Staff/Sgt. Linden warn Mrs. Sauvé not to attempt to get her article published and, if so, under what authority was this warning given?
7. Did the R.C.M.P. officers who called on Mrs. Sauvé have a search warrant and, if not, under what authority were documents taken from Mrs. Sauvé's home?
8. Have the documents taken from Mrs. Sauvé been returned and, if not, for what reason?

Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice): 1. S/Sgt. Linden was the only member of the R.C.M.P. who visited the home of Mrs. C. Sauvé of North Bay on April 15, 1965. Mrs. Sauvé's home was not searched.

Questions

2. Yes.

3. Yes.

4. Yes. Mrs. Sauvé voluntarily handed over to S/Sgt. Linden her complete file and manuscripts which she had in her possession.

5. No.

6. No.

7. Yes.

8. Yes.

COMPONENTS OF CHARTERED BANK ASSETS

Question No. 611—**Mr. Caouette:**

1. What are the components of the total chartered bank assets as published in the *Canada Year Book* and the components of the total chartered bank assets as published in the Annual Report of the Bank of Canada?

2. If there are any differences between the components of the total shown in the *Canada Year Book* and the total shown in the Annual Report of the Bank of Canada, what are these differences, and what are the reasons for using a different basis?

3. What is the subscribed capital of each chartered bank?

4. What have been the increases in chartered bank assets during each of the following decades: 1934-44, 1944-54, and 1954-64?

5. For the years 1934, 1944, 1954 and 1964, what was the total volume of bank notes and coins in circulation?

6. For these same years, what was the value of bank credit and of the money supply?

7. At the end of the last financial year, what were the assets of each of the chartered banks?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): 1. The components of total chartered bank assets shown in both the Canada Year Book and the annual report of the Bank of Canada are derived from the asset items shown in the monthly statement of assets and liabilities prepared in the Department of Finance and published each month in the Canada Gazette.

2. The presentation of chartered bank assets in the annual report of the Bank of Canada is intended to facilitate analysis of the Canadian operations of the banks. To this end various foreign currency asset and liability items are "netted" and the difference included as "net foreign assets" whereas in the Canada Year Book these items are shown on both sides of the banks' balance sheet. Also, the annual report of the Bank of Canada does not include certain asset items such as "bank premises" and "letters of credit", changes in which are either quite small or not relevant to the analysis of the domestic banking situation. The only other difference of any importance between the two tables is that "items in transit" shown among the asset items in the Canada Year Book is "netted" against chartered to bank deposit liabilities in the annual report of the Bank of Canada in order to calculate a figure of money supply free of the duplication of "float".

3. The subscribed capital of the chartered banks is:

Montreal	$ 60,750,000
Nova Scotia	30,000,000
Toronto-Dominion	30,000,000
Provinciale	9,000,000
Commerce Imperial	69,680,000
Royal	66,528,000
Nationale	12,000,000
Mercantile	8,000,000
	$285,958,000

4. Increases in total chartered bank assets as shown by the monthly return of assets and liabilities have been as follows: December 31, 1934—December 31, 1944, $3,540 millions; December 31, 1944—December 31, 1954, $4,974 millions; December 31, 1954—December 31, 1964, $12,439 millions.

5. The amount of Canadian bank notes and coins in circulation (i.e. outside banks) was as follows: December 31, 1934, $184 millions; December 31, 1944, $990 millions; December 31, 1954, $1,458 millions; December 31, 1964, $2,254 millions.

6.

	Money Supply (1)	Bank Loans (2)
	(millions of dollars)	
December 31, 1934	2,132	991
December 31, 1944	5,892	1,213
December 31, 1954	10,314	4,237
December 31, 1964	18,049	10,514

(1) These figures are one of the commonly used calculations of the money supply, i.e. total Canadian deposits of the chartered banks less items in transit plus notes and coins in circulation.

(2) Total Canadian loans (including mortgages) of the chartered banks. In addition, of course, banks have other assets such as securities so that their total assets equal their total liabilities.

7. Total assets of each chartered bank: Montreal, October 31, 1964, $4,668 millions; Nova Scotia, October 31, 1964, $3,051 millions; Toronto-Dominion, October 31, 1964, $2,669 millions; Provinciale, October 31, 1964, $507 millions; Commerce Imperial, October 31, 1964, $5,503 millions; Royal, November 30,

1964, $6,232 millions; Nationale, November 30, 1964, $963 millions; Mercantile, September 30, 1964, $125 millions.

SECOND NATIONAL PARK IN SASKATCHEWAN

Question No. 614—**Mr. Southam:**

1. What period of time will be involved by federal National Park officials working in conjunction with Provincial Parks officials in selecting a site for Saskatchewan's second National Park?
2. What are the names and official designations of these officials?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1. The appraisal of potential national park sites in Saskatchewan is currently under way and a report will be completed within the next four to six weeks. However, before a site for this park can be selected, the recommendations contained in this report will have to be agreed to by the federal and provincial authorities.

2. The Saskatchewan representative in the survey is Mr. R. G. Young, Chief, Parks and Recreation, Department of Natural Resources; the federal officials on the survey are the following four officials of the Natural and Historic Resources Branch of the Department of Northern Affairs and National Resources: Mr. H. K. Eidsvik and Mr. C. L. Merrill of the Planning Division; Mr. Dalton Muir, Parks Naturalist; and Mr. T. Fenton, Regional Engineer from the Calgary office.

BURLEIGH FALLS, ONT.—REBUILDING OF DAM

Question No. 618—**Mr. Stenson:**

1. Is the Department of Transport not going to rebuild the dam at Burleigh Falls on the Trent canal system?
2. When prices were called for this construction, what were the prices submitted for the cost of rebuilding this dam?
3. What were the costs for the repairs to this dam?
4. Do the engineers feel this dam is in a satisfactory condition at the present time?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): 1. Not immediately but the project will remain in future program.

2. Tenders were called for construction of the gates for this dam and the prices submitted were as follows: Canadian Vickers Ltd., Montreal, P.Q., $286,966; Canada Machinery Corp., Ltd., Galt, Ont., $326,526; Dominion Bridge Co., Ltd., Montreal, P.Q., $400,170; Horton Steel Works Ltd., Toronto, Ont., $402,815.

3. The cost to repair this dam was $11,057.78 exclusive of cost of continuing labour and government owned equipment.
4. Yes.

CANADIAN CONTENT IN AUTOMOTIVE PRODUCTION

Question No. 620—**Mr. Stenson:**

1. Have the Canadian automotive companies signed an agreement with the Canadian Government that they will try to conform with the government's desire to have 60 per cent Canadian content in all cars built in Canada, or did they sign an agreement that they will have 60 per cent Canadian content in all cars built in Canada?
2. Was the Ontario Government consulted when the agreement was made with the United States Government?

Hon. C. M. Drury (Minister of Industry): 1. The objectives for the industry are set out in tariff item 950 to which the automotive companies are required to conform and in their letters of commitment establishing goals which they have agreed to meet. The former was tabled in the House of Commons on February 16 and the latter were tabled on April 26.

The objectives are expressed in the following requirements:

(a) Ratio of Vehicles produced to Vehicles sold in Canada: An automotive company is required under tariff item 950 to maintain, in any 12 month period ending on July 31, the ratio of the net sales values of vehicles produced by it to the net sales value of vehicles sold by it in Canada in the 12 months ending July 31, 1964, or not less than a 75 to 100 ratio if its production to sales ratio was less than this in the base year.

(b) Canadian Value Added requirement in Vehicles Produced in Canada: An automotive company is required under tariff item 950 to maintain the Canadian value added in any 12 month period ending on July 31 which it achieved in the 12 month period ending on July 31, 1964. The meaning of "Canadian value added" is defined in the regulations pertaining to the tariff item.

(c) Additional Canadian Value Added related to growth of companies sales in Canada: The automotive companies have undertaken in their letters of commitment to increase their Canadian value added in any subsequent 12 month period ending on July 31 to equal a percentage (established in each letter of commitment as 40, 50 or 60 per cent) of the increased sales in Canada of vehicles covered by the program.

(d) Canadian Value Added increase required beyond growth of Canadian market:

The automotive companies have undertaken in their letters of commitment to increase Canadian value added before the end of the 12 month period ending on July 31, 1968, by $260 million a year beyond the amounts required in items (b) and (c) above.

2. Discussions were held with senior officials of the Ontario Government concerning the Canada-U.S. agreement on automotive products.

*ALLOCATION OF OFF-SHORE MINERAL RIGHTS

Question No. 636—**Mr. MacLean (Queens):**

1. Is it the intention of the government to introduce legislation at the current session of Parliament to convey to the provinces to which they are adjacent the offshore mineral rights which lie outside the boundaries of any province and accrue and belong to Canada as a whole as a result of a recent international convention?

2. If so, will such legislation include provisions similar to those that were enacted by the Manitoba, Ontario and Quebec Boundaries Acts of 1912, with regard to those vast areas which belonged to Canada as a whole at that time?

Mr. John N. Turner (Parliamentary Secretary to Minister of Northern Affairs and National Resources): Mr. Speaker, the answer to the first part of this question is no. The second part is not applicable.

P.E.I.—EXTENSION OF ROADS TO RESOURCES AGREEMENT

Question No. 644—**Mr. Mullaly:**

1. Has the government received a request from the Government of Prince Edward Island for an extension of the Roads to Resources Agreement beyond the present expiratory date?

2. If so, what is the nature of the request and what response has the government made?

3. Under the terms of the present Agreement, how many miles of highway were approved for construction and paving in Prince Edward Island?

4. To date, how many miles have been completed?

5. What has been the total contribution by the federal government to Prince Edward Island under this program to date?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1 and 2. Yes, the Province has requested a one year extension to the program, and the Government has the matter under consideration.

3. 441 miles.

4. 361 miles.

5. $5,966,073.

PICTOU, N.S.—REQUEST FOR URBAN RENEWAL SURVEY

Question No. 646—**Mr. MacEwan:**

1. Has an application been received by Central Mortgage and Housing Corporation for an urban renewal survey from the various towns in the County of Pictou and the Municipality of the County of Pictou?

[Mr. Drury.]

2. If so, has a decision been made on this matter and what is the decision?

3. If a decision has not been made, when can one be expected?

Hon. J. R. Nicholson (Minister of Citizenship and Immigration): 1. Yes.

2 and 3. The application for a grant to assist in carrying out an urban renewal study is under consideration, and it is expected that a decision will be reached shortly.

SILVER DOLLARS ISSUED BY ROYAL CANADIAN MINT

Question No. 649—**Mr. Nugent:**

1. What was the number of silver dollars sent from the Royal Canadian Mint to banks in Toronto in the last four months?

2. What proportion of the total number of silver dollars forwarded to the banks in the Toronto area was made available by the banks directly to the general public?

3. What proportion was sold to dealers and business firms for re-sale to the public?

4. At what prices were the coins offered by dealers and business firms to the general public?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): 1. 558,000.

2, 3 and 4. The Mint does not have this information.

*AIR CANADA—NAMING OF AIRCRAFT

Question No. 651—**Mr. Marcoux:**

Does Air Canada intend to christen their aircraft, particularly those on transatlantic flights, as do most other airlines around the world and, if not, for what reason?

[*Translation*]

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): The management of Air-Canada informs me as follows:

Air-Canada have never christened their aircraft and do not intend to do so. This is not the usual practice, as suggested by the question, and it does not offer any economic or advertising benefits. It even has some disadvantages. Every aircraft can easily be identified by a number appearing in a conspicuous place.

[*English*]

AUTOMOTIVE SAFETY EQUIPMENT

Question No. 657—**Mr. Noble:**

Has the government given consideration to introducing legislation making it compulsory to equip automobiles being sold in Canada with all safety devices currently proven practical and efficient?

Hon. C. M. Drury (Minister of Industry): It should be emphasized that the Provincial

Governments have the responsibility of drafting and enforcing regulations pertaining to the operational standards of motor vehicles. A great deal of work has already been undertaken by various groups to determine the areas where improvement in design or vehicle construction could lead to greater safety which would be useful in the preparation of a safety code. It would, of course, be necessary to obtain the agreement of the Provinces before a uniform safety code could be established for motor vehicles. The Department of Industry would be happy to co-operate with the Provinces in the preparation of such a code.

TENDERS FOR COASTGUARD VESSELS

Question No. 668—**Mr. MacEwan:**

1. When will the first tender for new coastguard vessels be called?
2. How many coastguard vessels will be constructed in the year 1965-66?
3. Will the tenders be called on a nationwide basis or on a regional basis?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): 1. In view of the Department's intention to carry out extensive tank model seakeeping tests before determining the vessels' final characteristics, precise scheduling of tender calls and construction commencements cannot be accurately forecast.

2. Answered by 1 above.

3. Action in this regard has not in this case been determined.

APARTHEID STUDY BY B. AND B. COMMISSION

Question No. 673—**Mr. McCutcheon:**

Has the B. and B. Commission dispatched a research team to South Africa to study the origins and applications of the policy of apartheid, and the successful supplanting there of English by the Afrikaan language?

Mr. Jack Davis (Parliamentary Secretary to Prime Minister): I have been informed by the Royal Commission on Bilingualism and Biculturalism as follows: No, the Royal Commission has not sent a research team to South Africa for the purposes mentioned. One of the Commission's research supervisors, Professor K. D. McRae, has recently been in South Africa for three and a half weeks to investigate language policies and practices in South Africa. He was not sent "to study the origins and applications of the policy of apartheid" nor to study "the successful supplanting there of English by the Afrikaan language".

*REPORT RESPECTING HAL DORNAN

Question No. 685—**Mr. Basford:**

1. Has the government received any comment or report from Hon. Mr. Justice F. Craig Munro with regard to Mr. Hal Dornan, Special Assistant to the Prime Minister, and his actions in connection with Mr. Al Williamson in the Harry Stonehill application for landed immigrant status resulting from the recent trial of Mr. Al Williamson, held in North Vancouver, B.C.?
2. If so, what was the nature of such comment or report?

Mr. Jack Davis (Parliamentary Secretary to Prime Minister): Mr. Speaker, the answer to the first part of this question is yes.

The answer to the second part is extracted from the text of the remarks of Hon. Mr. Justice F. Craig Munro after receiving the verdict (Case No. 91-65) *Regina vs. Albert Hampton Williamson.* It reads in part as follows:

Mr. Dornan appeared as a witness at this trial and told the court what part he took in the matters under investigation at this trial.

While I cannot speak for the jury, I can say that in my view no evidence was adduced before me that in any way reflects discredit on Mr. Dornan, and, in particular, there was no evidence to indicate that he did anything wrong or that he acted in any improper way.

I note in the Press that the Prime Minister has recently expressed his confidence in the integrity of Mr. Dornan. Based upon the evidence at this trial I can only say that such confidence is fully justified.

I make this comment only because in a trial of this nature where names of prominent citizens are mentioned it is possible that some members of the public may be confused as to just who was on trial. Mr. Dornan, of course, was not accused of anything, and was not on trial, and could therefore not receive a jury's verdict clearing his reputation.

SEA COAST EXTENSION, KEJIMKUJIK NATIONAL PARK

Question No. 692—**Mr. Crouse:**

1. Is it the intention of the government to set aside a section of sea coast for an extension of the Kejimkujik National Park as incorporated in the original plan drawn up in 1962?
2. If so, how many acres does the government plan to acquire for this development?
3. Will this section of sea coast be in Lunenburg, Queens or Shelburne Counties of Nova Scotia?
4. What amount of money is set aside in the estimates to cover this sea coast park extension?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1, 2 and 3. Yes, if a suitable area can be found and the provincial and federal governments are agreed that it ought to be devoted to national park purposes. In such event it would then be the responsibility of the provincial government to provide title to the area, free of encumbrances to the federal government. However,

it is not possible to give an estimate of the size of such area at this time. The federal government has suggested a joint federal-provincial survey of the Atlantic coast line from Canso Strait to Yarmouth, to be carried out this summer.

4. The sum of $10,000 is provided in the current estimates for investigations of potential park areas across Canada.

*HOSPITAL CONSTRUCTION, JOLIETTE, QUE.

Question No. 714—**Mr. Pigeon:**

1. Has the Government of the Province of Quebec through the provincial Department of Health submitted plans to Ottawa for the construction of a new 500 bed hospital in the Town of Joliette?
2. If so, when and what will be the cost involved?

Mr. J. C. Munro (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the answer to the first part of the question is no. The second part is not applicable.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CRIMINAL STATISTICS

Question No. 35—**Mr. Matheson:**

1. During each of the last ten years of record (a) how many criminal offences were reported (b) what percentage of these crimes remained unsolved (c) how many persons per 100,000 population were convicted of indictable offences?
2. During the last five years of record, what was the percentage of increase in (a) Canada's population (b) the population of federal penitentiaries?
3. What percentage of inmates now in federal penitentiaries have been there before?
4. What policy and/or programs are presently in effect to reduce crime and recidivism?

BUNGLED HANGINGS

Question No. 40—**Mr. Matheson:**

1. What incidents of bungled hangings appear in the records of Canadian executions?
2. On what occasions, and in what circumstances has the hanging operation had to be repeated?
3. On what occasions, and in what circumstances has the condemned person been dispatched after the drop by pressure applied to the body?

EMPLOYEES IN PUBLIC SERVICE AND CROWN CORPORATIONS

Question No. 138—**Mr. Rondeau:**

1. What is the total number of federal civil servants throughout Canada?
2. What is the total number in each department?
3. How many federal civil servants were employed throughout Canada since April 1963, in each department?
4. What is the total number of employees for each crown corporation?
5. How many employees in crown corporations and departments are bilingual and how many are unilingual?

[Mr. Laing.]

CROWN CORPORATIONS—NUMBERS OF EMPLOYEES

Question No. 569—**Mr. Caouette:**

1. What has been the number of employees, year by year in the following Crown corporations since their establishment (a) Canadian National Railways (b) Air Canada (c) Canadian Broadcasting Corporation (d) Canadian Overseas Telecommunication Corp. (e) Central Mortgage and Housing Corp. (f) Eldorado Aviation Limited (g) Eldorado Mining and Refining Limited (h) Northern Transportation Co. Limited (i) Polymer Corporation Limited (j) The Seaway International Bridge Co. Limited (k) Atomic Energy of Canada Limited (l) Canadian Arsenals Ltd. (m) Canadian Patents and Developments Limited (n) Defence Construction Ltd.?
2. Are employees of these government enterprises of an industrial or commercial nature, subject to the Civil Service Act?
3. Do these employees enjoy a special status?

MOTOR VEHICLE PUCHASES BY DEPARTMENT OF JUSTICE

Question No. 583—**Mr. MacLean (Queens):**

From March 1, 1964 to May 1, 1965, how many motor vehicles have been purchased by the Department of Justice (a) manufactured or assembled in Nova Scotia (b) manufactured or assembled in Ontario (c) imported from the United States (d) imported from other countries?

Return tabled.

NAMES AND CLASSIFICATIONS OF CENTENNIAL COMMISSION PERSONNEL

Question No. 664—**Mr. Hamilton:**

1. What are the names, classifications, titles and salaries of all personnel hired by the Centennial Commission since April 22, 1963?
2. What are the names, classifications, titles and salaries of all personnel hired by contract by and for the Centennial Commission since April 22, 1963?
3. What are the names, classifications, titles and salaries of all personnel hired for the Centennial Commission by the Civil Service Commission since April 22, 1963?
4. What are the names, classifications, titles and salaries of all personnel hired by the Centennial Commission since April 22, 1963 which were appointed by Governor in Council?
5. What are the names, classifications, titles and salaries of all personnel hired by the Centennial Commission since April 22, 1963 upon the submission of a recommendation of the Secretary of State?
6. What are the names, classifications, titles and salaries of all the Centennial Commission personnel appointed since April 22, 1963 which were recommended to the Secretary of State for employment by the Centennial Commissioner prior to approval by Governor in Council or Treasury Board?
7. What are the names, classifications, titles and salaries of all personnel hired by the Centennial Commission since April 22, 1963 by approval of the Treasury Board following submission of a recommendation by the Secretary of State.
8. What are the names, classifications, titles and salaries of all personnel released, transferred or seconded from the Centennial Commission since

April 22, 1963 by means of submission to Governor in Council, Treasury Board Minutes, Ministerial Order or Civil Service approval?

CLASSIFICATION OF MEMBERS OF ARMED FORCES

Question No. 734—**Mr. Tucker:**

1. How many Canadians served in the Canadian Armed Forces in (a) World War I (b) World War II?
2. How many in question (1) were born in (a) Canada (b) United Kingdom (c) other British possessions (d) elsewhere?
3. How many in question (1) were of (a) Anglo Saxon origin (b) French origin (c) other ethnic origins?
4. What was the total enlistment in each province?
5. What was the classification by main religious denomination in (a) World War I (b) World War II?

MOTIONS FOR PAPERS

Mr. J. B. Stewart (Parliamentary Secretary to Secretary of State): Mr. Speaker, motion No. 44 is acceptable to the Government. I understand that notice of motion No. 32 is to be withdrawn. I ask that motions Nos. 39 and 41 be allowed to stand.

SUSPENSION OF ARMY BENEVOLENT FUND SECRETARY

Motion No. 32—**Mr. Bigg:**

That an Order of the House do issue for a copy of all correspondence and documents concerning the suspension and reinstatement of the National Secretary of the Army Benevolent Fund, between the Minister and General Gauvreau or any other department official.

Order discharged and motion withdrawn.

SAFETY STANDARDS IN AUTOMOBILE MANUFACTURE

Motion No. 44—**Mr. Grafftey:**

That an Order of the House do issue for a copy of all correspondence since January 1, 1960, exchanged between the federal government and the automobile industry relating to minimum safety standards in the manufacture of automobiles and components thereof.

Motion agreed to.

HEALTH AND WELFARE

CONSIDERATION OF MEDICARE BY DOMINION-PROVINCIAL CONFERENCE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would direct a question to the Acting Prime Minister and ask him whether or not the Government intends to place before the Federal-Provincial

Conference on July 19 a plan for compulsory medicare calling for a joint 50-50 federal-provincial contribution and participation of every province, at an estimated cost of $500 million to the Federal Government during the first year. At the same time, in view of the fact that the Parliamentary Secretary to the Minister of National Health and Welfare is mentioned in this press statement, is the Government considering the possibility of one or more provinces having their own scheme wholly financed by the province?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, in answer to the right hon. gentleman I would say that this whole matter is under consideration by the Government.

Mr. Diefenbaker: Is there any foundation for what the hon. gentleman must have read this morning, a statement in the Press giving the benediction of the Parliamentary Secretary to the Minister of National Health and Welfare in this regard? Is there a committee of Liberal Members who are preparing this for the edification of the Government?

Mr. Martin (Essex East): Mr. Speaker, the right hon. gentleman will understand that I have been rather busy today and have not yet seen this statement.

Hon. Michael Starr (Ontario): Then may I put a supplementary question to the Parliamentary Secretary to the Minister of National Health and Welfare. I wish to ask the hon. gentleman whether he is Chairman of such a committee studying medicare.

Mr. Martin (Essex East): Mr. Speaker, I think the practice in this House is that questions involving Government policy must be directed to the Government.

Mr. Bell: Why did he say it?

Mr. Martin (Essex East): Unless the Minister in charge of the Department concerned makes other provision, it is not proper, in respect of a matter on which there has been no decision reached by the Government, for a question to be put to a private Member, whether he be a Parliamentary Secretary or not.

Mr. Starr: Then I will ask the question of the Minister of National Health and Welfare. I would ask the hon. lady whether the Parliamentary Secretary is chairman of a group of Liberal Members of the caucus studying medicare.

Inquiries of the Ministry

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Mr. Speaker, the question which my hon. friend is asking me is not one which comes within my purview as a Minister of the Crown.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my supplementary question is to the Acting Prime Minister and it is with respect to a question I put to him yesterday and to which the Parliamentary Secretary to the Minister of National Health and Welfare replied last night. Was the Parliamentary Secretary speaking for the Government when he said that a medicare plan could be in effect by 1967, or perhaps earlier?

Mr. Martin (Essex East): Mr. Speaker, we all know that the hon. Member for Hamilton East is, and all of us recognize him to be, actively interested in all matters in this House. I would be very surprised, knowing of his achievements, and of his interest in social and health questions, if he was not to the forefront in his Party in putting forward ideas in which he has a sincere belief. That is why he is in this House, and that is why he is going to continue here. But it must be clear that only a Member of the Government can announce Government policy.

Mr. Knowles: I have a supplementary question, Mr. Speaker. I should like to ask the Acting Prime Minister whether the Parliamentary Secretary, who spoke for the Acting Prime Minister last night, said what he did with the approval of the Acting Prime Minister.

Mr. Martin (Essex East): Mr. Speaker, the answer to that question has already been given.

Some hon. Members: Oh, oh.

Mr. Deputy Speaker: Order, please.

Mr. Martin (Essex East): If I have not made it as clear as I intended, then I would say to my hon. friend, who knows the rules so well and who is recognized as an authority, that only a Member of the Government can expound Government policy.

[Later:]

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I should like to ask the Acting Prime Minister, in view of the statement he made a few moments ago to the effect that Parliamentary Secretaries cannot speak for the Government, whether there is any value in having them answer for the Ministers during the adjournment debate at ten o'clock. I should like to ask the Minister whether he will consider seeing to it that in future Ministers are on hand for these debates, since there would seem to be very little value in carrying on these discussions at ten o'clock if those who reply for the Government have no authority to do so.

Mr. Martin (Essex East): Mr. Speaker, my hon. friend I know is too busy, as I myself find sometimes, to read fully the rules, but they provide for replies at that hour by Parliamentary Secretaries. The rule is also well established concerning about those who may speak for the Government. My hon. friend was a hard-working Premier for a long time, and when I say "hard-working" I do not mean he was always right, and he knows perfectly well that only Members of his Government could express the official policies of that Government of which he was the head for such a long time.

Mr. Douglas: I have a supplementary question, Mr. Speaker. Would that not make it more important—

Mr. Munro: On a question of privilege, Mr. Speaker.

Mr. Douglas: —that Ministers be here when—

Mr. Munro: I have a question of privilege, Mr. Speaker.

Mr. Deputy Speaker: Order, please. Is the hon. Member rising on a question of privilege arising out of an immediate matter?

Mr. Munro: Yes, Mr. Speaker. Just prior to the remarks of the hon. Member for Burnaby-Coquitlam the hon. Member for Winnipeg North Centre (Mr. Knowles) quoted a statement made by me in the House last night. His remarks prior to that statement asked for a precise date as to when we might expect medicare. He is well aware that my answer was that this would depend upon a meeting of the Federal-Provincial Premiers that is to be held in July, and that I did not know the precise date. I said that in view of the provinces having paramount jurisdiction in this field I did not know what the timing could be, because we must depend on reaching an understanding at that conference. The hon. Member is well aware of that, and that I said I did not know, but that it could be next year or—

Some hon. Members: Oh, oh.

Mr. Deputy Speaker: Order, please.

Mr. Munro: I said I did not know, and the House is well aware of that.

Some hon. Members: Oh, oh.

Mr. Deputy Speaker: Order, please.

Mr. Douglas: Mr. Speaker, since the—

Mr. Deputy Speaker: Order, please. May we have order. I recognize the hon. Member for Burnaby-Coquitlam.

Mr. Douglas: Mr. Speaker, I rise on a point of order. A short time ago the Acting Prime Minister said that Parliamentary Secretaries could not answer for the Government, but now the hon. Member is answering for the Government.

Some hon. Members: Oh, oh.

Mr. Munro: On a point of order.

Mr. Deputy Speaker: Order, please.

An hon. Member: Sit down.

Mr. Deputy Speaker: Order, please. The hon. Member has raised a question of privilege and another hon. Member has answered. Now, the Parliamentary Secretary wants to rise on a point of order. We have only 30 minutes for questions and I would suggest that perhaps we should get on with them.

REPORTED INCREASE IN CONGENITAL ABNORMALITIES

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I should like to address a question to the Minister of National Health and Welfare. In view of the fact that the Canadian Medical Association yesterday directed two of its general council committees to begin an immediate investigation as to the possible cause of thalidomide-like deformities of newborn children, suggesting that possibly a thalidomide crisis looms, I should like to ask the Minister whether she has initiated an investigation into this situation, and is any immediate action planned in this regard?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Mr. Speaker, I have seen the reports referred to. The one in the *Globe and Mail* appeared to have an accurate headline, but the one in the Montreal paper seemed to be unsupported by the story.

In these articles Dr. Gingras suggested that there has been an increase in limb deformities not associated with thalidomide, but he goes on to say that the Canadian Medical Association's Committee on Maternal and Child Health has had its attention directed to the question as to whether or not there truly is an increase in this birth deformity.

Since the thalidomide tragedy of 1961-62 my Department has been engaged in two relevant areas of activity. Under the Health Grants Program three Prosthetic Research and Training Centres have been established to deal specifically with the problems posed by congenital limb deformities. One of these Centres is located in Montreal and is under the direction of Dr. Gingras. The deserved reputation of Dr. Gingras' Centre has no doubt resulted in an increased number of cases being referred to that Centre. We are inclined to give most weight to this explanation for the suggested increase, but Dr. Gingras' comment that other factors may be responsible will be pursued with him, as it relates to the efforts to improve our knowledge of the occurrence of congenital anomalies.

In addition, my Department, through its Expert Committee on the Occurrence of Congenital Anomalies, has been concerned with this very problem, that is, methods of improving our information about the numbers and kinds of congenital anomalies occurring in Canada. We are working with our advisors and the Provincial Health Departments in the development of a surveillance system for the purpose of detecting promptly any unusual occurrence of abnormalities. We are, of course, dependant upon the reporting of cases by individual physicians and I am, therefore, especially pleased to note the continuing interest of the Canadian Medical Association in this difficult problem.

AIR POLLUTION—CONTROL OF AUTOMOTIVE EXHAUST GASES

On the orders of the day:

Mr. P. V. Noble (Grey North): I should like to direct a question to the Minister of National Health and Welfare. In view of the fact that carbon monoxide is contributing to air pollution, and may also be a major factor in the increasing incidence of lung cancer, would the Minister consider introducing legislation which would require all automobiles to be equipped with an anti-smog device?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): I have always understood, Mr. Speaker, that aside from a consultative role, jurisdiction in the matter of air pollution was with the provinces.

Inquiries of the Ministry

Mr. Noble: May I ask a supplementary question, Mr. Speaker? If this matter is of national concern in the United States could it not be given the same prominence in Canada?

Miss LaMarsh: We have different constitutional forms in the two countries.

PUBLIC SERVICE

LETTER CARRIERS—REQUEST FOR SALARY INCREASES

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, on Monday last I asked the Government whether anything was being done to increase the salaries of letter carriers, and I understand that there may be a statement in this regard to be made today by one of the Members of the Treasury Benches.

Hon. E. J. Benson (Minister of National Revenue): Mr. Speaker, a number of questions were directed on Monday to my colleague the Postmaster General (Mr. Nicholson), with respect to periodic pay review of employees in Group "D", including the postal classes.

As hon. Members know, the Civil Service Act requires the Civil Service Commission to present its recommendations with respect to pay increases for these and other employees to the Treasury Board for final determination of the rates to be paid. The Treasury Board cannot make its pay decisions under the Act until it has received and considered the recommendations of the Commission. Further, the Act provides for consultations to be held between the Minister of Finance or his representatives, and staff associations requesting such consultations.

The present position is that the recommendations from the Civil Service Commission reached the Treasury Board yesterday. These will have to be examined by the Treasury Board staff and a report thereon submitted to the Ministers of the Board. The Postal Workers Brotherhood has also requested consultations with the Minister of Finance, who has undertaken to arrange these consultations once the Civil Service Commission's recommendations have been received and examined. It is expected that other staff associations will also require consultations, and that meetings with representatives of these organizations will have to be arranged.

Hon. Members can be assured, therefore, that the procedures required by law which I have mentioned will be completed as quickly as possible, and that the Treasury Board's decision as to the pay rates to be established for all Group "D" classes, including postal workers, will be made with a minimum of delay. On the basis of past experience and the present timetable of progress, this is likely to be possible about the middle of July.

[Miss LaMarsh.]

EXTERNAL AFFAIRS

CYPRUS—INQUIRY AS TO CONTINUATION OF CANADIAN FORCE

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In view of the decision of the Security Council yesterday and the invitation which has been expressed by the Secretary General, can the Minister tell us whether or not Canada is going to continue with its peace keeping forces in respect of the Cyprus situation?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the Security Council did meet yesterday and we have received a formal request from the Secretary General of the United Nations asking Canada to participate in the UN force in Cyprus for a further six months by supplying a contingent of the same strength as in the past. The Government has decided to accept the invitation and to continue its participation in this force which has rendered such valuable service on that island.

VIET NAM—REFERENCE TO STATEMENT BY UNITED STATES SENATOR

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I should like to direct a question to the Acting Prime Minister. Does the Government of Canada agree with the views and proposals set out this morning by Senator Fulbright, Chairman of the Senate Foreign Relations Committee of the United States concerning the situation in Viet Nam? If so, has the Canadian Government transmitted its views on this matter to the United States Government?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, I would want to examine carefully the latest declaration of Senator Fulbright. Perhaps tomorrow in the External Affairs Committee my hon. friend, who is the distinguished Vice Chairman of that body, could put his question.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): In connection with the question asked by the hon. Member for Oxford a moment ago, will the Minister say if he

shares the view of the New York *Times* to the effect that a land war on the continent of Asia is now under way? Have there been any communications with the United States in the past three or four days in this connection that would lead us to believe there is any hope of an arrangement being made whereby a conference would be convened, for every day this situation seems to be escalcating to an extent that has peril for mankind?

Mr. Martin (Essex East): Mr. Speaker, yesterday I had a conversation in Ottawa with the United States Ambassador. I am not in a position at the moment to reveal the details of that conversation. He left with me a document that we are studying carefully. This document, however, is not in any way related to any escalation of this regrettable situation. It has to do, however, with steps which the Government of the United States has taken in its endeavours to try to bring about negotiations without pre-conditions.

I may say that on our part we are likewise actively engaged, independently of the United States, in efforts designed to try to bring about some discussions that may, we hope, lead to an easing of the situation in Viet Nam, and that we hope ultimately might have the effect of establishing a basis for negotiations.

Mr. Diefenbaker: Is the Minister in a position to say whether Prime Minister Wilson of the United Kingdom has placed before the Government of Canada a plan which, in his opinion, according to the only way I get information through the press or radio, might lead to negotiations? One has to word his question carefully, and that is the reason for the uncertainty in the way it is advanced.

Mr. Martin (Essex East): I am not in a position to divulge, until such time as the Prime Minister of Britain himself has made public, any initiative he has in mind; but we are aware of the proposal that is being put by Her Majesty's Government in Britain and it is a proposal that will receive strong support from Canada.

Mr. Diefenbaker: Has it been before the Government yet?

Mr. Martin (Essex East): We have it.

NATIONAL DEFENCE

OPERATIONAL READINESS OF CF-104 AIRCRAFT

On the orders of the day:

Hon. D. S. Harkness (Calgary North): I should like to direct a question to the Minister of National Defence. In view of the fact that 25 CF-104's have now crashed can the Minister inform us as to how many of these are of the operational configuration and how many are of the training type, and whether any of them have been capable of being salvaged, repaired and put back into operation? I think the question is of importance because if they are all of the operational configuration it reduces the number of our CF-104's to a dangerously low level.

Mr. Deputy Speaker: I suggest to the hon. Member that perhaps his question fails on two grounds. It appears to call for a complicated reply, and it may be placed on the order paper.

Mr. Harkness: I do not believe the reply should be complicated. The Minister should have these figures, which involve only 25 aircraft, in his head.

ROYAL CANADIAN MOUNTED POLICE

QUEBEC CITY—FAMILIARITY OF PERSONNEL WITH EXPLOSIVES

On the orders of the day:

[*Translation*]

Mr. Robert Beaulé (Quebec East): Mr. Speaker, I should like to direct a question to the Minister of Justice.

Does he propose to order that, in future, at least one member of the R.C.M.P. squad in Quebec should have adequate knowledge of how to handle explosives?

Mr. Deputy Speaker: That question should be placed on the order paper.

[*English*]

EXPO '67

REPRESENTATION OF CUSTOMS OF ESKIMOS AND INDIANS

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lac-Saint-Jean): Mr. Speaker, I should like to direct a question to the Secretary of State relating to Expo '67.

Are the authorities of Expo '67 taking the necessary steps so that the usages and customs of the citizens inhabiting our country before we came here in the 14th century, that is Indians and Eskimos, may be well represented during Expo '67?

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

Inquiries of the Ministry

[*English*]

NATIONAL CAPITAL COMMISSION

LOSS OF EMPLOYMENT THROUGH DEMOLITION OF ROXBOROUGH APARTMENTS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to ask a question of the Minister of Labour which has nationwide implications. In view of the fact that some 18 women and 25 men will lose their employment as a result of the National Capital Commission's expropriation of the Roxborough Apartments, would the Minister inform the House if the Government accepts any responsibility with respect to these unfortunate victims of Government action who, in some cases because of their age, will find it difficult to find other employment?

Hon. A. J. MacEachen (Minister of Labour): I will be glad to look into this question and give the hon. Member an answer later.

REDISTRIBUTION

ONTARIO—PUBLICATION OF MAPS IN WEEKLY NEWSPAPERS

On the orders of the day:

Mr. A. D. Alkenbrack (Prince Edward-Lennox): I should like to direct a question to the Secretary of State, following up a request made on Monday last by the hon. Member for Ontario. Can the Minister now advise if the weekly newspapers of Ontario are going to be allowed to participate in publishing the electoral boundaries, and whether or not they will be authorized to do so for next week's publication?

Hon. Maurice Lamontagne (Secretary of State): The suggestion made by the hon. Member for Ontario has been communicated to the commission.

Mr. Alkenbrack: I should like to debate this at ten o'clock tomorrow night.

CANADIAN BROADCASTING CORPORATION

REQUEST FOR EXTENSION OF TELEVISION SERVICE

On the orders of the day:

Mr. S. J. Korchinski (Mackenzie): In view of the Secretary of State's recent announcement that colour television will be provided to those areas already serviced by multi-channel television, does the Minister have any plans to immediately ask for funds in the supplementary estimates to provide for television coverage for the over 50 per cent of Canada's area still unserviced?

Hon. Maurice Lamontagne (Secretary of State): I have already said there was no absolute deadline in this respect, but we were waiting with great anxiety for the report of the Fowler Commission.

Mr. Robert Simpson (Churchill): May I ask a supplementary question in relation to the same statement? The Secretary of State admitted that the extension of service had a higher priority than colour television, so would he not now consider asking for a report of the advisory committee on the extension of service, as he did in connection with colour television?

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, I have already said in the House that there are several millions of dollars in the current estimates for extension of service.

FINANCE

REMOVAL OF SALES TAX ON POLLUTION CONTROL MATERIALS

On the orders of the day:

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, I would like to address a question to the Minister of Finance. In view of the fact that last week the Minister of Transport announced that the Government has decided to put substantial financial support into the correction of water pollution in Canada, would the Minister consider exempting all materials that go into anti-pollution equipment and plants operated by private enterprise from the 11 per cent sales tax?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I appreciate my hon. friend's concern with this matter. As he knows, there was an announcement in the budget speech which will give very considerable relief to private industry in this field, and from the letters I have received, private industry seems to be very well pleased.

REQUEST FOR EXTENSION OF MUNICIPAL LOAN LEGISLATION

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, may I direct a question to the Minister of Finance. In view of the fact that the Minister of Municipal Affairs for the Province of Nova Scotia has stated that, as a result of the Minister's re-

cent statement concerning the Municipal Development and Loan Act, it could be that three hospitals planned for construction in that Province may not be proceeded with, and in view of the exceptionally high unemployment rate in the Atlantic Provinces, may I ask the Minister whether he and his colleagues in the Government would give consideration to extending this legislation beyond March, 1966?

Hon. Walter L. Gordon (Minister of Finance): I have already announced the Government's view on this matter.

EDUCATION

STUDENT LOANS—INQUIRY AS TO IMPROVEMENTS IN PLAN

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Minister of Finance. In view of the tabling on Friday of the report on the operations of the Student Loans Plan, has the Government decided yet on improvements to the plan and, if so, does it intend to bring forward legislation before the new year begins?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, the committees of provincial and federal officials that have been steadily working on the plan since its inception have worked out a number of improvements in the administration of the plan which will make it more uniform across Canada, and generally work better. It may be that at some appropriate time it will be desirable to bring in amending legislation, but I have no plans to do so at the moment. The Canada Student Loans Plan in general is working very well indeed.

Mr. Eric A. Winkler (Grey-Bruce): As a supplementary question I would like to ask the Minister whether he has considered the extension of any capital grants to universities in Canada?

Mr. Gordon: I have answered this question before, Mr. Speaker, and I do not know whether I should repeat myself. As my hon. friend knows, we are waiting for the report of the Bladen Commission.

Hon. W. G. Dinsdale (Brandon-Souris): As a further supplementary question, could the Minister indicate whether the bursary program announced two years ago is going to be introduced by the Government before commencement of the next college year?

Mr. Gordon: I am afraid I must say, with respect, to my hon. friend that I am not prepared to announce an important matter of Government policy of this kind at a late hour on orders of the day.

LABOUR CONDITIONS

QUEBEC—STEPS TO IMPROVE UNEMPLOYMENT SITUATION

On the orders of the day:

Hon. Théogène Ricard (St. Hyacinthe-Bagot): Mr. Speaker, I would like to direct a question to the Minister of Labour. In view of the fact that his party has promised full employment, and also in view of the fact that the Province of Quebec has nearly 40 per cent of the actual unemployment in all Canada, could the Minister tell us what are his concrete plans for securing some employment for those of my co-citizens who are jobless?

Mr. Deputy Speaker: Order please.

HOUSE OF COMMONS

INQUIRY AS TO APPLICATION OF CANADA LABOUR CODE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour. In view of the fact that there are appearing in today's newspapers full page advertisements showing the Minister of Labour being interviewed on television giving the details of the Canada Labour Code, may I ask him whether the provisions of the Canada Labour Code apply on Parliament Hill?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, the policy of the Government is to apply the principles of the Canada Labour Code to all its employees, and I would gather that the employees on Parliament Hill would be in exactly the same position as other federal employees.

Mr. Knowles: Would the Minister permit a supplementary question? Is he aware of the figures listed in Monday's *Votes and Proceedings* showing a number of salary rates on Parliament Hill which are below the minimum wage level set out in the Canada Labour Code?

Mr. MacEachen: Mr. Speaker, so far as I am concerned that ought to be corrected, and the quicker the better.

Mr. Knowles: As a further supplementary question, is the Minister going to correct this before July 1?

Mr. MacEachen: Yes, Mr. Speaker.

Mr. G. H. Aiken (Parry Sound-Muskoka): I have a supplementary question for the Minister of Labour in connection with the full page advertisement published this morning. Is this advertisement being paid for by the National Liberal Federation or by the people of Canada?

Mr. Deputy Speaker: Order. The 30 minute period allocated for questions is now expired.

An hon. Member: Saved by the bell.

WAYS AND MEANS

The House in Committee of Ways and Means, Mr. Lamoureux in the Chair.

INCOME TAX ACT

Resolved, that it is expedient to introduce a measure to amend the Income Tax Act and related provisions of the Federal-Provincial Fiscal Arrangements Act and to provide among other things:

1. That for the 1966 and subsequent taxation years the income tax payable by an individual be reduced by an amount equal to the lesser of 10 per cent of basic tax or $600 and for the 1965 taxation year by an amount equal to the lesser of 5 per cent of basic tax or $300.

2. That for the 1965 and subsequent taxation years a taxpayer may deduct in computing his taxable income an amount for the support of a person who was his niece or nephew and who during the year resided in Canada, was wholly dependant upon him for support, and was

(a) under 21 years of age,

(b) 21 years of age or over and dependent by reason of mental or physical infirmity, or

(c) 21 years of age or over and in full-time attendance at a school or university,

if

(d) the mother of the niece or nephew was divorced or separated and not in receipt of alimony or similar payments, or

(e) the father of the niece or nephew was deceased or mentally or physically infirm,

not exceeding $300 if the person was a child qualified for family allowance and $550 if he was not so qualified.

3. That for the 1965 and subsequent taxation years a taxpayer may deduct in computing his taxable income an amount not exceeding $550 expended by him during the year for the support of a person who was his aunt or uncle and who during the year resided in Canada and was dependent upon him for support by reason of mental or physical infirmity.

4. That for the 1970 and subsequent taxation years the additional exemption of $500 now allowed to a taxpayer who has attained the age of 65 years be allowed only if the taxpayer has attained the age of 70 years and that for the taxation years 1966 to 1969 inclusive a taxpayer who has attained the age of 65 years but has not attained the age of 70 years be allowed the additional exemption of $500 only if he did not receive a pension under the Old Age Security Act in respect of any month in that year.

5. That for the 1965 and subsequent taxation years a taxpayer who deducts in computing his income from an office or employment

[Mr. Knowles.]

(a) annual dues to maintain membership in a trade union or to maintain membership in an association of public servants,

(b) annual dues retained from his remuneration pursuant to the provisions of a collective agreement and paid to a trade union or association, or

(c) annual professional membership dues the payment of which was necessary to maintain a professional status recognized by statute,

shall not by reason of such deduction be ineligible to deduct the standard deduction of $100 described in paragraph (ca) of subsection (1) of section 27 of the Act.

6. That for the 1966 and subsequent taxation years a person, the spouse of such person residing with him and previously resident in Canada, or any dependent child of such person, shall be deemed to have been resident in Canada throughout a taxation year if such person was at any time in the year performing services in a country other than Canada under a prescribed international development assistance program of the Government of Canada, and was resident in Canada during a part of the year preceding the commencement of such services.

7. That for the 1966 and subsequent taxation years a contribution made by a person under the Canada Pension Plan or under a provincial pension plan as defined in section 3 of the Canada Pension Plan may be deducted in computing the income of such person.

8. That for the 1965 and subsequent taxation years the limitation on the amount related to earned income that a taxpayer may deduct as a premium under a registered retirement savings plan be increased from 10 per cent of earned income to 20 per cent of earned income.

9. That for the 1965 and subsequent taxation years such part of any amount that would otherwise be included in computing income of a taxpayer as a retiring allowance be deductible if it is paid in the year, or within 60 days after the end of the year, as a contribution to a registered pension fund or plan, as a premium under a retirement savings plan, or to a trustee under a deferred profit sharing plan.

10. That there may be deducted in computing the income of a taxpayer an amount in respect of an outlay or expense made by the taxpayer in the 1965 and subsequent taxation years

(a) to a person with whom the taxpayer is dealing at arms length and who is the lessee of property owned by the taxpayer, to obtain the cancellation of a lease on such property,

(b) for landscaping property used by the taxpayer for the purpose of gaining or producing income,

(c) for clearing land or laying tile drainage for the purpose of carrying on a farming business,

(d) as or on account of the cost of making representations to a government, municipality or other public authority in connection with a business carried on by the taxpayer, including representations for the purpose of obtaining a licence, permit, franchise or trademark,

(e) as or on account of the cost incurred in investigating the suitability of a site for a building or other structure planned by the taxpayer for use in connection with a business carried on by him.

11. That for the 1965 and subsequent taxation years a corporation shall be deemed to be resident in Canada throughout a taxation year if

(a) it was incorporated in Canada before April 27, 1965 and was resident in Canada in its taxation year that included April 26, 1965 or in any subsequent on taxation year, or

(b) it was incorporated in Canada after April 26, 1965.

12. That with respect to payments received by a taxpayer after April 26, 1965, other than a payment made upon the death of an employee, the amount that a taxpayer may elect to have taxed under section 36 of the Act shall not exceed

(a) in the case of a single payment

(i) out of or pursuant to a superannuation or pension fund or plan, or

(ii) pursuant to deferred profit sharing plan, or

(iii) pursuant to an employee's profit sharing plan,

$1,500 times the number of years during which the employee, in respect of whom the payment was made, was a member of the plan, or

(b) in the case of

(i) a single payment upon retirement of an employee in recognition of long service, or

(ii) a payment or payments made by an employer to an employee or former employee upon or after retirement in respect of loss of office or employment

$1,000 times the number of years during which the employee, in respect of whom the payment was made, was an employee of the employer who made the payment.

13. That for taxation years commencing after April 26, 1965, a trust or estate (other than a trust or estate arising on death) that has income from a business carried on by it in Canada may not deduct in computing its income an amount paid or payable to a beneficiary who is

(a) a non-resident of Canada,

(b) a non-resident-owned investment corporation, or

(c) another trust or estate resident in Canada, unless that other trust or estate

(i) arose on a death, or

(ii) has been since April 26, 1965 a beneficiary of the trust or estate paying the amount and the trust or estate paying the amount has been carrying on the business since April 26, 1965,

and any amount paid or payable out of the income for the year of the first-mentioned trust or estate will continue to be included in the income of its beneficiary notwithstanding the fact that the first-mentioned trust or estate was not entitled to deduct the amount in computing its income.

14. That for the 1965 and subsequent taxation years the amount of income derived from a new mine that a corporation may exclude in computing its income shall be confined to income from the operation of the mine by the corporation.

15. That where a joint exploration corporation acquires after April 26, 1965 a right, licence or privilege to explore for, drill for or take petroleum, natural gas or other related hydrocarbons, the cost of the right, licence or privilege may not be renounced to a shareholder corporation.

16. That for the 1965 and subsequent taxation years an amount that a taxpayer may exclude from his income because it is consideration for a mining property acquired as the result of his effort as a prospector, or as the result of efforts of a prospector who was employed or financially assisted by him, shall not include a share of profits, a royalty or a payment based on production.

17. That the Minister of National Revenue with the approval of the Governor in Council may on behalf of the Government of Canada enter into an agreement with the government of a province, under which one government undertakes to transfer to the other, in respect of income tax paid by an individual from whom deductions were made at source as though he were resident in a place other than the province in which he was resident on the last day of the year, a part of the amount deducted or withheld under section 47 of the Act or a similar provision of a provincial income tax act.

18. That in order to give effect to the provisions of paragraph 1 without reducing the amount of equalization payments to any province a consequential amendment be made to the Federal-Provincial Fiscal Arrangements Act to adjust the fractions set out therein in the definition of "standard individual income tax" used in the computation of equalization payments.

19. That a new section be added to the Act concerning expenditures of a taxpayer for advertising space in a non-Canadian newspaper or periodical having effect substantially as follows:

"12A (1) In computing income, no deduction shall be made in respect of an otherwise deductible outlay or expenses of a taxpayer for advertising space in an issue of a non-Canadian newspaper or periodical dated after Decmeber 31, 1965 for an advertisement directed primarily to a market in Canada.

(2) An issue or edition of an issue of any newspaper or periodical that is edited in whole or in part in Canada and printed and published in Canada and that was not on April 26, 1965 a Canadian newspaper or periodical shall be deemed, for the purposes of subsection (1), not to be an issue of a non-Canadian newspaper or periodical if

(a) through the period of twelve months ending April 26, 1965 issues or editions of issues of that publication were being edited in whole or in part in Canada and printed and published in Canada at the usual intervals for issues of that publication and have since that date continued to be so edited, printed and published without interruption except for a reason other than the cessation of the business of publishing that publication; and

(b) in the case of a periodical, the periodical is similar, in content and in respect of the class of readers to whom it is directed, to the issues or editions of that periodical that were throughout the period of twelve months ending April 26, 1965 being edited in whole or in part in Canada and printed and published in Canada.

(3) Subsection (1) does not apply with respect to an advertisement in a special issue or edition of a newspaper that is edited in whole or in part and printed and published outside Canada if such special issue or edition is devoted to features or news related primarily to Canada and the publishers thereof publish such an issue or edition not more frequently than twice a year.

(4) Subsection (1) does not apply with respect to an advertisement in

(a) a catalogue, or

(b) any publication the principal function of which is the encouragement, promotion or development of the fine arts, letters, scholarship or religion.

(5) In this section,

(a) 'Canadian issue' means,

(i) in relation to a newspaper, an issue, including a special issue,

(A) the type of which, other than the type for advertisements or features, is set in Canada,

(B) the whole of which, exclusive of any comics supplement, is printed in Canada,

(C) that is edited in Canada by individuals resident in Canada, and

(D) that is published in Canada, and

(ii) in relation to a periodical, an issue, including a special issue,

(A) the type of which, other than the type for advertisement, is set in Canada,

(B) that is printed in Canada,

(C) that is edited in Canada by individuals resident in Canada, and

(D) that is published in Canada,

but does not include an issue of a periodical

(E) that is produced or published under a license granted by a person who produces or publishes issues of a periodical that are printed, edited or published outside Canada, or

(F) the contents of which, excluding advertisements, are substantially the same as the contents of an issue of a periodical, or the contents of one or more issues of one or more periodicals, that was or were printed, edited or published outside Canada,

(b) 'Canadian newspaper or periodical' means a newspaper or periodical the right to produce and publish issues of which belongs to or is vested in

(i) a Canadian citizen,

(ii) a partnership of which at least ¾ of the members are Canadian citizens and in which interests representing in value at least ¾ of the total value of the partnership property are owned by Canadian citizens,

(iii) an association or society of which at least ¾ of the members are Canadian citizens,

(iv) Her Majesty in right of Canada or a province, or a municipality in Canada, or

(v) a corporation

(A) that is incorporated under the laws of Canada or a province,

(B) of which the chairman or other presiding officer and at least ¾ of the directors or other similar officers are Canadian citizens, and

(C) of which, if it is a corporation having share capital, at least ¾ of the shares having full voting rights under all circumstances, and shares representing in the aggregate at least ¾ of the paid-up capital, are owned by Canadian citizens or by corporations other than corporations controlled directly or indirectly by citizens or subjects of a country other than Canada; and

(c) 'issue of a non-Canadian newspaper or periodical' means an issue that is not a Canadian issue of a Canadian newspaper or periodical."

Mr. Cowan: Mr. Chairman, when the House adjourned last evening I was commenting on some features of paragraph 19 of the resolution before us and had made a direct reference to the so-called brain drain to the United States. I stated that I would comment on that feature in passing. Many of us have heard the expression used, "I don't think that the so-called brain drain to the United States is a one-way street. I believe we can get as much from foreign countries in mental development as we contribute to those foreign countries".

• (4:20 p.m.)

But of course Canadians are well aware of the great contributions Canadians have made to the building up of American institutions, and even to the American system of government. The late Mr. Lane, Secretary of the Interior in Woodrow Wilson's cabinet, was a Canadian from the Atlantic Provinces, a man often described as one who would have made the presidency if it had not been for his birth in this country. There is Dr. Wallace Sterling, a man born, bred and raised in Ontario, a former professor in the University of Alberta, who is making a tremendous contribution to the educational life of the United States as President of the Leland Stanford Jr. University in Palo Alto, California, and most of us are aware of the great and beneficial career of the late Dr. Schurman who was raised and educated in the Maritime Provinces and placed Cornell University in the forefront of modern universities during his lengthy presidency. On the other hand we have men such as Dr. Wilder Penfield of the Montreal Neurological Institute. As I said earlier, I do not consider the brain drain to be a one-way affair.

But in the publishing business one has to consider the products of brains which are sold to the United States, even though the Canadians concerned may continue to reside in Canada. This is the problem which faces Canadian publishers. Not only do the brilliant writers and artists of this country move to the United States in large numbers, because of the greater market for their wares, but many of those who remain in Canada make their livelihood by selling to foreign countries, because of the better rewards they receive for their contributions as compared with those which Canadian magazines can afford.

I can give the committee one definite and striking case which remains in my memory. At the time of the thalidomide cases which were being discussed two years ago, one of the Canadian magazines ran an interesting article on this drug, its discovery, manufacture and use. The article went into these things in some detail. It was quite an interesting one and I learned considerably from reading it. Then a friend of mine suggested I purchase a United States magazine which also had an article on thalidomide and I went out of my way to secure a copy. I can only say that as a Canadian I felt very sorry about the superiority of the United States article as compared with the Canadian article. Indeed I was impressed to the point where I got in touch with the publishers of the two magazines. I found that the Canadian publisher had paid $750 for his article, which was all he felt he could afford. The United States publisher, on the other hand, had paid the brilliant writer who had written the article for him, $7,500. I do not criticize the Canadian publisher in any way. But when United States publishers are able to pay that kind

of remuneration for a good article, it is easy to understand why the editorial content of many United States magazines is superior to that of Canadian magazines.

I say, too, that Canadian magazines suffer from the brain drain to the extent that writers resident in Canada send their best pieces to the United States, and other countries abroad where they can receive higher compensation. Not only do we have this brain drain to compete against—and when I say "we" I am speaking from the standpoint of Canadian publishers. We have to consider the fact that if a United States magazine wishes to dump back on this country its editorial expenses such as the $7,500 for the thalidomide article, it can do so, and these expenses are spread not only over the magazine's circulation in the United States but also over its circulation in Canada. When the cost of an article is divided by this combined circulation the publisher will find it works out to a great deal less than the cost of an article to the publisher of a Canadian paper with a much smaller circulation restricted to this country. This is nothing but dumping. The entry into this country of magazines such as *Time* and *Reader's Digest,* their editorial content supplied almost entirely from the United States side, is a gross example of dumping.

Canadian consumer magazines are in trouble today; there is no question about that. The greatest obstacle to the successful conduct of Canadian consumer publication is the subsidized advertising rates offered by the nationally owned Canadian Broadcasting Corporation. In the United States market, magazines have to compete with television and radio stations, but at least the publishers know they are competing with private businessmen who must set advertising rates high enough to cover their operating costs and provide a profit. In this country, magazine and newspaper publishers are faced with Government subsidized competition from the Canadian Broadcasting Corporation whose advertising rates need not cover the costs of the operation. If an advertiser refuses to pay the rates offered him, the C.B.C. will simply reduce them to any figure which will attract him. These rates need not cover the cost of operation, because subsidies provided by the Canadian public will make up any loss incurred. Canadian publishers have to establish rates which will attract advertisers to their pages in competition with Government-subsidized C.B.C. advertising rates on radio and television, and this is not fair. Many Canadian publishers find they cannot secure advertising at rates which cover the cost of publication in the newspaper and magazine fields.

There are other angles in the business world of the publisher which make one wonder at times whether the Government of Canada—and I do not mean this Government specifically; I am talking about governments which have come and gone over the last 20 years—is really interested in developing a Canadian publishing economy. I wonder how many people in Canada realize there are hundreds of foreign publications coming into Canada with a total circulation in the hundreds of thousands. Once these publications cross the Canadian border they do not pay anything whatsoever for carriage through the mails. This is due to a postal convention which operates on the theory that if a foreign publisher sends a magazine into Canada, a Canadian publisher presumably sends a Canadian magazine abroad. The result of this arrangement is that many hundreds of foreign papers come into this country by mail from Britain or France or the United States to addresses in Canada. The country of origin gets all this postal revenue, and once these publications cross the border into Canada we Canadians carry them free from their port of entry to wherever they happen to be addressed. Then the Canadian publishers are given the privilege of picking up the deficit by way of taxation to support the Post Office, which is carrying competitors' material free through the mails. I do not know any other business in Canada which is subject to this kind of competition, where a competitor is carried at your expense.

This situation has existed for many years. Canadian publishers have been protesting about it for years and years. We always get the same story: The Postal Union meets only once every five years; when the next meeting comes around we will fix this up. To my own knowledge these protests have been made for 25 years, now, and five meetings of the Postal Union have been held. But the Canadian Government has never yet straightened out this situation.

I should like to draw attention to the fact that the O'Leary Commission, reporting on the Canadian magazine industry, drew the attention of the country to the fact that these magazines and periodicals are carried free in Canada if they are mailed in a foreign

country to a Canadian address. On page 97 of the report of the Royal Commission on Publications we find the following:

> The Canadian Post Office receives no revenue from the delivery of foreign second class mail because, under the terms of the Universal Postal Convention, all governments are required to handle free of charge whatever is passed to them by foreign post offices. The foreign post office retains whatever payment is made for the service.
>
> The arrangement is reciprocal and therefore, in theory, equitable. Experience has shown, however, that between Canada and the United States theory fails completely in practice. Canadians receive far more second class material from abroad than they send abroad.

And the Royal Commission recommended:

> That, in the matter of second class mail, the United States be asked for compensation in the form of terminal payments.

If American publishers were required to make terminal payments it would lighten the tax burden on Canadian publishers, who have to compete at present on such an unfair basis.

• (4:30 p.m.)

But we have a practice in Canada which is known as the American remailing rate. The term is irregular, but it is known as that. Under this system approximately 60 United States publications, either by truck, express or freight send their periodicals into Canadian post offices, largely in Montreal and Toronto. While it is called the American remailing rate, it is better known as the American mailing rate, because they are not being remailed; they are being mailed for the first time.

Postage rates in the United States are so high, if a periodical is going to cross the international border and come into this country, that those who have a tremendous circulation have evolved a system, with the Canadian Government whereby, by sending the papers in bulk into Canada, they put them into Montreal and Toronto post offices and the Canadian Government collects a postage rate which is slightly higher than the Canadian publishers are asked to pay, but considerably below what these American publishers would pay if they had mailed in the United States.

Under this American mailing system the Canadian Post Office picks up about $900,000 a year. If the papers were mailed in the United States the Canadian Post Office would not pick up any revenue, so you might state that this $900,000 a year is better than nothing. But for the $900,000 a year that we now receive from American publications coming in under the American remailing rate, it is estimated that the cost of handling those periodicals is in the neighbourhood of $2 million. So you have a direct subsidy to these 55 or 60 papers, through the American remailing rate, of about $1,100,000. And these are Post Office figures.

Canadian publishers have competition also with the Americans in the overflow circulation of the American pulp papers that come into this country. If you see Gordon's gin advertised in an American periodical, just because you are reading it in Canada does not mean that the advertisement has lost its effectiveness. If you see Johnson's wax, which is made at one place in the United States, and in Brantford in Canada, advertised in an American publication and you read it in Canada, the impact of the ad is not lost on the Canadian reader. You can buy Johnson's wax just as easily in Canada as you can buy it in the United States. But the manufacturers' reaction when these articles are nationally advertised in a Canadian paper is, "We have a 100,000 overflow circulation in Canada for which we do not have to pay a cent. Why would we pay anything to a Canadian periodical to carry our advertising, when we pay the cost of advertising to the American papers and the overflow into Canada makes it possible for us to reach our market without any additional cost to us?" Canadian publishers have to meet this obstacle of the overflow circulation.

In addition, the Canadian Broadcasting Corporation in its television programs attracts the attention of the public in viewing their programs. This also is paid for by the Canadian taxpayers, including the Canadian publishers. So the Canadian publishers have another opportunity to pay for their competitors with regard to the time they spend viewing this television advertising. The C.B.C. news service is in open competition with the news service of the Canadian Press, which was originated by Canadian publishers in about 1897 and is recognized the world over as a first-class news media. Why do we have to have a Government-subsidized news service running in competition with the Canadian Press, which has been built up at a great deal of expense to the Canadian publishers in this field?

Frankly, Mr. Chairman, I cannot support paragraph 19. It is an omnibus provision and I believe it should be split into sections. You will remember that the original flag motion when introduced into the House of Commons was split into two parts by the Speaker, and

I maintain it was rightly so split. Now we are asked to support paragraph 19, an omnibus clause which would allow *Time* and *Reader's Digest* to be classified as Canadian publications. I am not opposed to paragraph 19 if it applies equally to all bogus Canadian editions including *Time* and *Reader's Digest*. Steps have been taken to impede the entry into Canada of certain foreign publications, but bogus Canadian editions such as these two are to be granted separate permission. I say to you that making statements that this legislation is going to protect the Canadian magazine industry while allowing *Time* and *Reader's Digest* to be circulated in this country is the same as a farmer saying he is going to protect his chicken-house and he will shoot any fox that he sees, but he is not going to shoot the two foxes that are inside the chicken-house when he takes up his place at the chicken-house door with his shotgun. That farmer, if he had any sense, would clean out the two foxes that are inside.

The statement is made that if the advertisements in *Time* and *Reader's Digest* are taxed in such a way, the freedom of the press is involved. Freedom of the press is in no way involved. The publishers of these two magazines can send them into this country just as freely as the *Financial Post*, *Newsweek*, *Atlantic* and similar publications send in their copies. Freedom of the press is not involved in any way, shape or form.

The Canadian publishers are talking from the standpoint of dumping, and we are being subjected to this in every manner, shape and form by foreign publications. I have in my hand an editorial from the Ottawa *Citizen* of June 16, 1961. This is an article entitled "A magazine report" which was written just after the O'Leary Report came down. They pointed out that what is happening in the industry are unfair practices and they should be dealt with accordingly, for they are a form of dumping. That verifies what I have stated to you. This form of dumping in the Canadian publishing business has not been readily recognized by all Canadian businessmen.

This omnibus paragraph No. 19, would also, we are told, afford an umbrella type of protection to the Canadian owners of daily newspapers. I can only point out that with the exception of one daily newspaper in Canada, the other 103 have protested against this proposed action of the Government, and this proposed legislation. I am told by some people that a certain publisher in this country wrote a letter to the Government and said, "I have reconsidered my stand on the matter and I do believe your legislation is worth while and for the good of the country". I would like to point out that the publisher of the daily newspaper who wrote that letter is a member of a publishing chain which not only has daily newspapers in its stables but has either the first or second largest stable of trade magazines in Canada. This legislation, which will penalize advertisers who use foreign publications, will be of tremendous benefit to the trade magazines in Canada. Of such legislation I approve. But I cannot sit here and see two publications such as *Time* and *Reader's Digest* being afforded special treatment while efforts are made to impede the entry of other publications.

The Deputy Chairman: Order. I must inform the hon. Member that his time has expired.

Mr. Cowan: I wish simply to state that I cannot support this legislation.

Some hon. Members: Carry on.

The Deputy Chairman: Does the committee give unanimous consent to the hon. Member's continuing?

Some hon. Members: Agreed.

Mr. Cowan: I thank you sincerely, Mr. Chairman, and hon. Members for giving me extra time. I had intended to speak again, possibly when this matter comes up for further consideration, because I am sure the matter is not going to be settled this afternoon. Since I have stated that I cannot support this resolution simply because of paragraph 19, might I point out to you that I still consider myself a Liberal. I think Prime Minister Louis St. Laurent and Hon. Walter Harris, the Minister of Finance in 1956, struck a great blow for the Canadian publishing industry when they imposed that 20 per cent advertising tax on *Time* and *Reader's Digest*. It was later rescinded by a Government not Liberal. But I say that Prime Minister St. Laurent and Hon. Walter Harris were doing the right thing at that time, despite protests that were received at that time from the United States that this was in violation of the General Agreement on Tariffs and Trade. Prime Minister St. Laurent, speaking personally to Canadian publishers, said:

• (4:40 p.m.)

I told the President of the United States that something had to be done for the Canadian publishing industry and I was doing it.

I sincerely believe that I should tell the present President of the United States that something has to be done for the Canadian publishing industry; and I submit we should impose the same restrictions on advertising in *Time* and *Reader's Digest* that the Government is willing to impose on other publications.

An hon. Member: Time.

Mr. Cowan: In discussing the question of *Time* and *Reader's Digest* a great deal is heard about their employees in Canada.

Mr. Rock: Mr. Chairman, on a point of order, the hon. Member's time has expired and he did not get the permission of the Committee to continue.

Mr. Crouse: He did.

Mr. Rock: There were a lot of noes, and I was one of them.

The Deputy Chairman: Order. It was the understanding of the Chair that the hon. Member had the consent of the committee to continue. If that is not so, I should like to hear so now. Does the committee give unanimous consent for the hon. Member to continue?

Some hon. Members: Agreed.

Mr. Crouse: Yes, go ahead.

Some hon. Members: No.

The Deputy Chairman: I hear noes. The hon. Member for Burnaby-Richmond.

Mr. Prittie: Mr. Chairman, I am sorry that there were some noes, because I always find the hon. Member for York-Humber very interesting to listen to, not simply because he is a maverick but because he discusses this particular subject of the publishing business well. I have something in common with the hon. Member for York-Humber in that I do not like this particular measure either, and I particularly object to the fact that we are dealing with an omnibus resolution which includes so many things in it. This is not just an ordinary resolution which deals with taxation matters; it goes much further than that. The question of Canadian nationalism and the type of feeling which should exist in this country in the future is involved, as one hon. Member mentioned last night.

We have heard a great deal in the last year or two about the nationalism of French Canada and the future survival of French Canada. I think that this is a similar situation for the country as a whole. What does it take for a particular national or linguistic group to survive and to maintain the particular feeling which must be built up so that survival is possible?

There are many agencies in the country which are working at the idea of a national feeling. Certainly radio and television are two agencies which are very important in that respect. I suggest to you, Mr. Chairman, that if one were determined to wipe out French Canada, one of the things he would do would be to eliminate the broadcasting field entirely. In Canada we have taken deliberate decisions in the past to maintain, at quite great cost, a national broadcasting system. Complaints are made from time to time about how the system operates and how much its costs; but by and large, with very few exceptions, the majority of Members of Parliament reflect the view of the majority in the country that we must have this system for the survival of a Canadian national feeling in the future. We have a great many regulations designed to make sure that Canadian broadcasting is maintained, and we spend a great deal of money on the maintenance of this system.

I would suggest that our school system is another of the agencies which is used to maintain a feeling of Canadian identity—I am very much aware of this because before I entered this House I was a high school teacher of history and the social studies. In this field you work with whatever tools are available. You use textbooks. If popular journals are available dealing with Canada and various aspects of our history, then you use those as well. During my teaching career I have found that periodicals such as *Maclean's* magazine, *Saturday Night* and *Weekend Picture Magazine* were of considerable aid in this regard. If these were not available and we had to rely on United States publications, only, then would the task of the teacher be much more difficult. Therefore anything which strikes at Canadian periodicals I think endangers the type of feeling in our young Canadians which we wish to maintain in this country.

Let us take the case of *Maclean's* magazine. I have read it for many years. It has had its ups and downs. Sometimes it is good, sometimes not so good. I think it is on one of the down periods at the present time; nevertheless it is one of the best we have in the country. This magazine, published by the Maclean-Hunter Publishing Company, is subsidized by that company. They must take

part of the profits which they make from their trade publications in order to maintain the publication of *Maclean's* magazine and its French edition, *Le Magazine Maclean*. This company is a private enterprise. It is not a philanthropic organization. It is not a sort of Canada Council and it should not be expected to plough its profits from one side of its operations back into maintaining something which I think is essential for this country.

I do not suppose that many Members of this House would agree that the Canada Council or some other Government agency ought to give this company a direct subsidy to carry on with its work, but I think that the Government could take action to make the task of such companies a little easier at the present time. Certainly the proposed action of Canadianizing *Time* and *Reader's Digest*, thus depriving these Canadian periodicals of potential advertising revenue, is no help to them at all.

This has come about in a very strange way. I noticed one of the columnists in the Toronto *Star*, Mr. Robert Fulford, had this to say in his column on April 27, 1965, and I thought he summed up the situation very well. He said:

> Canadian nationalism, as expressed by the federal government, is frequently more eloquent than rational. Consider the broadcasting regulations which limit foreign content on T.V. They were announced in 1960 as a means of promoting Canadian programs but instead the airways are today dominated by Hollywood to an extent few of us would have thought possible in the 1950s.

I realize that is another problem.

> In the same way, the legislation on magazines announced last night by the finance minister is a kind of rhetorical shadow-boxing. It can have no seriously beneficial effect.
>
> The magazines of this country—those few which still exist, largely through the generosity or optimism of their owners—say they are dying from a lack of advertising revenue. They believe their revenue has been drained off by Canadian editions of *Time* and *Reader's Digest*.
>
> So Walter Gordon has bravely declared that foreign-owned magazines other than the two said to be causing the trouble will not be allowed to operate on the same tax basis as other publications. In effect he has said: the magazines are dying, so, to protect our national identity, we pass a law making certain that the situation stays as it is.
>
> In this there is a kind of logic which is comprehensible only in Ottawa.

I do not know why this particular clause has been put into the resolution. From all his past statements it is very much contrary to the thinking of the Minister of Finance. It is contrary to the thinking of many supporters of the Government. One can only conclude that the pressure in the Cabinet was such that the Minister of Finance had to bow to the wishes of someone and is loyally going along with the decision which has been made.

I can only assume that this is the same sort of decision which the hon. Member for Verdun had to take when he spoke yesterday. At that time he said, as reported at page 2460 of *Hansard*:

> If somebody could get up tonight and convince me that the elimination of *Time* and *Reader's Digest* from the Canadian scene would automatically ensure the future of *Maclean's*, and other Canadian magazines, I would be the first to vote for this legislation; but somehow I am afraid the problems of Canadian periodicals run a little deeper than legislation to force advertising revenue into the pockets of those magazines.

I think we can make the attempt, Mr. Chairman. I am very sure that if we do not make the attempt the Canadian periodical scene will be dominated by these two foreign-owned publications for a long time in the future. It seems to me that if these two magazines want to be considered as completely Canadian, then let them be Canadian. Let them set up complete editorial offices in Canada and let the complete work of preparation be done in Canada.

I am very disappointed by the operations of *Time* magazine in one particular respect. I admit that I read the magazine all the time and have done for 25 years or so. I would probably subscribe to it whether it was published in Canada or in the United States, and would do so even if the price were higher than it is. It has a gossipy form of coverage of the news that I happen to like.

• (4:50 p.m.)

However, I notice *Time* magazine publishes an insert for Canada of three or four pages at the beginning of every issue. If you buy *Time* in the United States you do not see that. There might be some justification for what they are doing, if the Canadian section appeared in the United States issue. They might be able to say that they were passing on to Americans the general news about Canada. As we all know, they are not very well informed on this subject. However, they are not even doing that, because the Canadian insert is simply for the Canadian edition, and I suggest this is something we could well do without if we have to pay the price contemplated in this particular legislation.

As far as *Reader's Digest* is concerned, I have not seen very much value in this magazine. I sometimes buy the French edition just to practise reading French, but as far as the

English edition is concerned, it is not of very high quality in my opinion. But that is quite beside the point.

Regarding the proposal concerning newspapers, I think most Members of the New Democratic Party support the idea. We feel that steps should be taken to keep Canadian newspapers under Canadian control, and that this is a matter of some importance. This subject came up in New Zealand some time ago when there was a danger that one or two of the leading newspapers of that country were being considered for purchase by outside interests. The New Zealand Government at the time acted promptly to solve the problem.

I seem to remember from the history of the 1930's that there was some similar trouble in France, and that many of the newspapers of that country were effectively controlled, if not owned, by outside interests. Editorial comments appeared in those newspapers which were very much against the interests of the French people, and in the history of France, leading to their downfall in the war in 1940, this played a significant role.

Very frequently we are criticized by the United States for the type of measure which is proposed here concerning newspapers. I suggest that if the United States was in the same position as Canada and there was a danger that the majority of the publications of that country were to come under the ownership of some other country, the United States would react very quickly. United States citizens are very protection conscious, and if one of their products is likely to be affected by an import from Canada or some other country, Congress hears about it very quickly. I suggest that if United States publications were seriously threatened, this is what would happen, although that situation is not likely to develop in view of the growth which has taken place in that country and in view of its size and power.

Let us suppose the situation between the United States and Mexico was reversed and there was a gigantic Spanish speaking country of 190 million people living next door to the United States, and the power of that country threatened to dominate the smaller country next door. I suggest to you that the United States would be thinking and advocating action along the lines which are proposed in Canada at the present time concerning both periodicals and newspapers.

Mr. Churchill: Would the hon. Member permit a question?

[Mr. Prittie.]

Mr. Prittie: Yes.

Mr. Churchill: I do not like to interrupt, but does the hon. Member see any threat of foreign ownership of Canadian newspapers at the present time?

Mr. Prittie: I do not know the details of what newspapers are up for sale or who the possible purchasers might be, but certainly that is a real possibility. After all, a newspaper is a business operation and if it is paying well I should imagine there would be foreign individuals or chains, such as in the United States, who might like to buy them out because they are profit-making organizations. However, one must remember that a newspaper is something more than a profit-making organization, it is a journal of opinion, and opinions can be formed through editorial columns.

I might say that I suppose those of us in the New Democratic Party should not worry too much about who owns the newspapers, whether it is Americans or Canadians, because we get whacked regularly in the editorial columns.

Mr. Rock: That is because you are anti-American.

Mr. Prittie: That is about the silliest comment I have heard for a long time.

I am concerned that these vital matters of information and publications should be under the control of Canadian nationals, and I will have to add, however bad they may be sometimes. I am optimistic and I always live and hope for improvement in the publishing world.

At the beginning of my remarks I said that the whole question of Canadian nationalism is involved in this question of periodicals, as it is involved in the question of radio and television. It has been said that this country was built in defiance of geography. It has been maintained in defiance of geography, living as we do next to a country which is so powerful. I do not think that country deliberately tries to do many of the things that have been done; that is, deliberately attempts to further Americanize Canada; but that does take place. They just cannot help it, because of their power and the media that they control.

If we want Canada to exist as a separate country and, more important, if we want the people to think and feel as Canadians, then we will always have to make an effort in the future to be Canadian and to promote the feeling of Canadian entity. Certainly we

cannot promote this type of feeling of Canadian entity if we pass measures such as those proposed here, which give a privileged position to two United States-owned periodicals. We will simply have done nothing for the Canadian publishing industry by Canadianizing *Time* and *Reader's Digest*, which at the present time operate in Canada at a very low cost from the point of view of advertising, while depriving our Canadian periodicals of the support they need in order to do the job of promoting the feeling of Canadian entity. I think this is absolutely essential and I am sure every Member of this House must feel the same way, otherwise we would have all packed up and gone to the United States a long time ago, perhaps for better pay. This measure strikes at any work that is to be done in the future to build an effective Canadian periodical publishing industry.

Mr. Chairman, may I call it five o'clock.

Mr. Walker: May we have the question?

Mr. Prittie: May I call it five o'clock, Mr. Chairman.

Progress reported.

AIRPORTS

VANCOUVER—CONSTRUCTION TO ASSURE ACCESS TO SEA ISLAND

Mr. R. W. Prittie (Burnaby-Richmond) moved:

That, in the opinion of this House, the Federal Government should give consideration to the advisability of constructing a bridge or tunnel across the North arm of the Fraser River between the City of Vancouver and Sea Island in the municipality of Richmond for the purpose of assuring uninterrupted access to the Vancouver International Airport.

He said: Mr. Speaker, I should like to see a Canadian-built tunnel in the area in question. This has been a continuing problem which was debated in the House over a year ago, but there has not been very much progress made since that time.

The Vancouver International Airport, which is the third busiest airport in Canada serving the third largest metropolitan area of the country, is in a unique position. For the benefit of Members who have not had the good fortune of visiting the ever green playground, perhaps I can draw a comparison. If the airport in Toronto, that is the main International airport, were situated on Toronto Island and if that airport were connected to the city by a narrow, two lane

swing bridge which opened when tugs or barges came by, you would have some idea of the problem with which this particular area is faced. You can imagine the outcry that would be heard in the capital city of Ontario if, from time to time, this bridge were held open for a period of two hours while traffic was backed up for miles.

• (5:00 p.m.)

The Vancouver International Airport is situated on a small island called Sea Island. Now, this island cannot be reached from the mainland, from the Burrard Peninsula on which the cities of Vancouver, Burnaby and New Westminster are situated, unless you go to another island called Lulu Island. You cross a bridge to that island, and then you cross a second small bridge to get out to the island on which the airport is actually located.

There have been problems in the past in connection with this bridge, Mr. Speaker. I have not kept a catalogue of the number of times the bridge has been out of commission and traffic has been held up. However, I should like to quote briefly from an article which refers to one of the worst examples of traffic being held up. I am quoting from the Richmond *Review* for April 19, 1962. The article describes the traffic tie-up which was caused by the failure of this bridge to function properly, and I quote:

Sea Island was cut off from Canada for 2½ hours on Sunday.

A mechanical failure is believed responsible for the jamming of the swing span on the Moray channel bridge. The bridge was opened for marine traffic, but refused to close completely.

While the defect was investigated, traffic backed up from the crossing to the airport. On the other side of the bridge, traffic piled up to the toll gates of the Oak Street bridge, where motorists were advised to take another route.

Incidentally, there is no other route to the airport.

Traffic flow was eventually restored before the fault was corrected, after traffic officials determined that the bridge was safe for traffic in spite of being two feet out of line.

Two flights were held up to allow delayed passengers to make connections. One, a Viscount flight to Edmonton was held up 40 minutes, and another Viscount to Victoria and Seattle was delayed 20 minutes.

Incoming passengers merely sat at the airport and fumed.

There is another heading in this newspaper which refers to the Liberals asking for quick action. The Liberal candidate for Burnaby-Richmond at the time commented on the situation and said that Ottawa ought to do something about it. He noted that Mr. Chevrier, speaking in the House on this subject

introduced by the previous Member for Burnaby-Richmond, had said something should be done about the situation. So, we have this problem, and I suggest that if the problem existed at Dorval Airport near Montreal or Malton Airport near Toronto, we would have heard a great deal more about it. The fact remains that the third busiest airport in Canada serving the third largest metropolitan area in Canada is tied up because of this bridge. This is quite important because of not only the possibility of delay for ordinary air line passengers, but the question of safety is involved. The main hospital in British Columbia is Vancouver General Hospital and it often has to receive people flown into the Vancouver International Airport from many parts of the Province. Someone may be seriously hurt in a logging accident. When he is flown to the airport, he has to get to the hospital as quickly as possible. If this bridge is out because of some passing marine traffic or because it has been hit by a barge, we have a very serious situation.

As I say, the problem is there and it has been there for several years. It is not a political matter so far as I am concerned. My predecessors who have represented Burnaby-Richmond, a Conservative and a Liberal, have both brought this matter to the attention of the House in the past. About a year ago the Federal and Provincial Governments did agree to undertake an engineering study to determine if a bridge or a tunnel were feasible at this point. The cost of this study was to be shared 50-50 by the two Governments. The report resulting from that study has not been published as yet, although I think they have had a great deal of time. Many local organizations are interested in this subject, as you would expect. The council of the municipality of Richmond, the Chamber of Commerce of Richmond, the Vancouver Board of Trade and the Sea Island Community Association, are all interested.

Recently the Richmond Chamber of Commerce wrote to the Deputy Minister of Transport about this subject. They wrote to the Minister of Highways in British Columbia as well. The reply from the Deputy Minister of Transport was dated April 29, 1965, and I quote:

> With reference to your letter of April 23rd, addressed to the Minister of Transport and requesting a copy of the survey made on traffic flow from Vancouver to Sea Island, it is suggested that you direct your request for a copy of this report to the Department of Highways in Victoria.

[Mr. Prittie.]

> While it is true that the cost of the survey is being shared equally by the Federal Department of Transport and the Provincial Department of Highways, the survey was initiated by and is being prepared under the direction of the Highway Department and, at the time of writing, we have not received the report on the second half of the study.

Then, they wrote to the Minister of Highways of British Columbia, Mr. Gaglardi. They received a reply dated May 7, 1965, and I quote:

> This is still under study in conjunction with the City of Vancouver and necessarily has to tie in with urban street developments throughout the whole area. For this reason no final decision has been made and additional data is required before any further planning can be carried out.

Now, Mr. Speaker, some Members may wonder how the Federal Government becomes involved in this matter. Well, the airport is owned by the Federal Government and operated by the Department of Transport. Not only do they own the airport but they own almost 75 per cent of the land on this island. There remains on the island two residential subdivisions and a small amount of industrial area, but the largest part of the island is under federal control. I imagine that in the future, as we approach the day when supersonic aircraft will be operating, the Department will require more and more of the Island, so that eventually they will own it all. The Government is the owner of this property and administers the airport. The Government must feel some responsibility for making sure that passengers arriving at the airport from points in the United States, Latin America, Eastern Canada and Europe by direct flight can get off this small island and into the city or the surrounding municipalities. Similarly, people leaving Vancouver to go to many parts of the world should be able to leave without having to worry about a two-lane bridge that may be out of operation.

The Federal Government therefore is the owner of the property and the operator of the airport. For these reasons, I feel they have a definite responsibility to do something about access to the airport. I do not want to suggest the Federal Government has the entire responsibility. Generally speaking, bridges, tunnels and highways are a provincial responsibility. Certainly, the Government of British Columbia should accept some responsibility in this regard. The Government of British Columbia prides itself on the number of highways and bridges it has built. Those of us who live in the metropolitan-urban areas have a feeling the Gov-

ernment is rather more generous with other areas of the Province than they are with the more heavily populated lower mainland region from which they get the greater portion of their gasoline taxes.

• (5:10 p.m.)

A year ago the Minister of Transport said that the Federal Government probably would not participate in the cost of building the type of connection requested here. He made some remark about the great big beautiful debt free Province of B.C. and that it could afford this itself. However, following that, the Department did agree to go 50-50 with the Provincial Department of Highways in the engineering survey.

Since that time the Minister of Transport has moved a little further. I imagine he has been prodded somewhat by the Minister of Northern Affairs and National Resources (Mr. Laing) who is a native of Richmond. His riding is on the Vancouver side of the area I am speaking about, and he has stated publicly and in letters to organizations that he feels such a tunnel should be built. He has had some success with his colleague, but not complete success.

The Minister of Transport was out there at the end of March, and he had this to say as reported in the Vancouver *Sun* of March 30, 1965:

> Transport Minister J. W. Pickersgill said here today the Federal Government has made no decision on a suggestion that a tunnel be built between Vancouver International Airport and the city.
>
> The Minister said in an interview studies are being made regarding better access to the airport, but no decision has been made as to whether a tunnel or a bridge or anything should be built.
>
> "A study has been going on for some time, and a first report completed," he said.
>
> "I will be studying that report when I return to Ottawa, and then a second study must be undertaken, presumably to determine cost."
>
> Pickersgill was commenting on an announcement here last week by Northern Affairs Minister Art Laing that the government is considering construction of a tunnel.
>
> The Minister said Laing was merely expressing a personal desire to see a tunnel built, rather than a bridge.
>
> "I don't disagree with him that good access is needed to the airport," Pickersgill said, "but cost will be a large determination."

This problem becomes more urgent and there is the ever present danger of the bridge being out when it is needed at a vital time should an emergency arise.

Construction has begun on a large new terminal at Vancouver International Airport, and it is needed because there is increasing business there. I believe action should be taken now to begin the construction of a better access from the populous part of Vancouver, and surrounding cities, to the airport.

The new terminal building is scheduled for opening in 1967. I doubt very much whether we can have a new crossing to Sea Island Airport ready at that time, but this very important decision must be taken quite soon. Between the time a decision is taken and plans are drawn up, and the time construction is carried out, a large amount of time elapses. Therefore I urge that the Minister of Transport ask his officials to conclude some type of negotiations with the Provincial Department of Highways on a cost sharing basis, so that engineering plans can be started and so that construction of this very necessary link be undertaken before many months pass.

The Minister of Transport said it all depends on the cost. If the Government admits it has a responsibility in this connection, being the owner and operator of the airport, then it has to bear part of the cost in agreement with the Government of B.C. I know agreement with B.C. may not be easily come by, but this is one of the tasks of government, to negotiate and obtain a proper cost sharing agreement so that the link from Vancouver to the airport can be begun and so that we will not suffer this ridiculous situation for many more years.

Mr. Jack Davis (Parliamentary Secretary to Prime Minister): Mr. Speaker, as a Member from the west coast I do not hesitate to endorse the general position taken by the hon. Member for Burnaby-Richmond Mr. Prittie) that we should have improved access from the built-up areas in Vancouver to Vancouver International Airport.

We read a good deal these days about the collapse of time and space. We know we can travel to any part of the world in a matter of hours, and it is a matter of some frustration to many of us that once we are grounded, once we are reduced to surface travel, the time elapsing between arrival at an airport and one's final destination is often comparable to that which one has spent in the air.

Some 50 years ago it took five days to cross Canada from Montreal to Vancouver. Today, even allowing for a half hour stop at Toronto, one can get from Montreal to Vancouver in approximately five hours. I do not want to imply that in a foreseeable period of time we will be able to span that distance in five minutes, but certainly if the supersonic air transport era arrives, in 10 or 15 years time it will be possible to get from Montreal to Vancouver non-stop in perhaps an hour and a half. For this reason delays

on the ground become of increasing importance.

I would suggest that we as a nation can afford to invest much larger sums of money in improving our avenues of surface transportation between the principal gathering points in downtown areas and the airport terminals. In this country air passenger miles have increased no less than fivefold over the last decade. This is a fantastic rate of increase. Air travel is relatively becoming more important than passenger rail travel, and is gaining on road transportation. Many more of the average Canadian's transportation dollars are going into air transport, and this is significant. We have some 5 million Canadian air passengers moving about the country each year. The proportion of the total population which is now flying from one point to another in Canada is substantial, and I submit is growing rapidly.

The sums of money involved in improving access routes to air terminals are not necessarily very large. They are certainly not large in relation to the sums of money being spent on subsonic, and in future years supersonic aircraft. They are not large relative to the sums of money being spent on the terminals themselves.

The tunnel which conceivably could be built under the north arm of the Fraser River, which would permit one to arrive at the Vancouver air terminal and 20 minutes later be downtown in Vancouver, might cost in the order of $6 million. This $6 million figure is small relative to the current investment Air Canada has in planes alone, which is something of the order of $300 million. This $6 million for the tunnel is also relatively small as compared with the estimated $23 million cost of the new air terminal building in Vancouver, which will be completed in our centennial year, 1967.

I suggest that if air pasengers had their choice they would put up with the present air terminal in Vancouver if they could get downtown in perhaps less than half the time, perhaps a third of the time that it takes them now to get from the terminal to the centre of the city.

I shall not attempt to describe the location of the proposed tunnel, because the hon. Member for Burnaby-Richmond has endeavoured to do that, but I would like to answer somewhat more specifically some of the points he has raised. In particular, he has asked for information.

Traffic circulation between the downtown Vancouver area and Sea Island on which the International Airport is located, and the adjacent Lulu Island, has been a matter of considerable concern for a number of years. In view of the anticipated growth of airport operations as indicated in economic studies of the area—and in passing I may mention that the Stanford Research Institute recently completed a very extensive review of the Vancouver area—the situation can be expected to become acute within a short period, particularly as the present access to the airport is solely by means of one swing bridge which must also cater to the needs of the river traffic.

• (5:20 p.m.)

In 1963 the Federal Government entered into an agreement with the Province of British Columbia whereby the Province would undertake a study and make a report on the feasibility and costs of a bridge or tunnel crossing the north arm of the Fraser River between the mainland and Sea Island. The Federal Government undertook to bear 50 per cent of the cost of such a study, such a contribution not to exceed the sum of $30,000. It was stipulated in the agreement that there was no undertaking, implied or otherwise, that the Federal Government would bear any of the cost of the construction of the crossing if it was built.

A firm of consulting engineers, Phillips, Barratt and Partners of Vancouver, appointed by the Highways Department of the Province of British Columbia did in January 1965 submit to that Department Part A of the Sea Island access study covering traffic forecasts and alternate routes. Part A of the access study was forwarded to the Minister of Transport by the Provincial Minister of Highways on March 23, 1965 requesting comments on the report. The Minister of Highways indicated he was prepared to initiate the second phase of the study concerning preliminary engineering and capital costs estimates for alternative crossings at Hudson Street, provided such action was agreeable to the Minister of Transport. In a reply dated April 14, 1965, the Minister of Transport here concurred in proceeding with Part B of the access study, namely the engineering cost study. In discussion with the officers of the Highway Department the target date for receipt of part B of the report from the consultants has been set for the end of September 1965.

I should like to summarize a synopsis of Part A of the report dealing with the traffic and the congestion expected to occur on the

present bridge access to the Sea Island airport. Both the Oak Street and Middle Arm bridges and their approaches are now loaded to their practical capacities, and during peak hour traffic flows their capacities are exceeded. This traffic growth will soon make conditions on the existing Middle Arm Bridge intolerable. A new four lane traffic facility, either a bridge or a tunnel, should be located across the North Arm of the Fraser River to accommodate the bulk of airport traffic which originates from or is destined to Vancouver. This location would not only represent the most direct route to Sea Island but would also help reduce traffic flows across the existing Oak Street bridge. The most feasible locations for this crossing are at either Hudson or Granville Streets. Department of Transport regulations, which limit obstructions on and in the vicinity of Sea Island, make a bridge crossing along the Granville Street route absolutely prohibitive. A high level bridge on the Hudson Street route is, however, marginally possible.

Later in the synopsis it is stated that in view of the many location, timing and cost uncertainties concerning the proposed Stanford freeway system for Greater Vancouver, it is not recommended that the new crossing to Sea Island be planned and designed as an integral part of a projected North-South Freeway. However, provision for a connection between a new Sea Island Crossing and a future North South Freeway can and should be made.

That is the position. The preliminary traffic study has been completed. It indicates there is an urgent need for either a tunnel or a bridge. It suggests that a four lane tunnel or bridge be built in the near future. The second phase of the investigation, namely engineering costs and related studies, is now under way and should be completed later this year. Obviously this is a subject which is of concern to the City of Vancouver and to the surrounding municipalities and, hence, to Greater Vancouver. It is of concern to several of the outlying municipalities which I represent—the districts of West Vancouver and North Vancouver, and the City of North Vancouver, which include among them the highest income municipalities in Canada. Their populations include people who travel a great deal more than most Canadians. They travel not only to different parts of Canada but to different parts of this continent and across the ocean, and in doing so they use airport facilities a great deal and are directly concerned with improvements in ground transportation.

The province, which is primarily responsible for highway construction, is obviously directly involved. However, I suggest that the Federal Government also has a responsibility in this connection. As a result of a transaction completed with the City of Vancouver a few years ago, it now owns the Vancouver International Airport. It is responsible for certain air force operations; and the Department of Transport operates on Sea Island. Moreover, the Department is primarily responsible for air transportation in this country and it must, therefore, concern itself with the physical facilities associated with such travel. In recent years, particularly in post-war years, we have done very well in respect to the vehicles of travel, such as aircraft. We have several very fine fleets which are relatively up to date. Air terminal facilities in this country are improving rapidly—I have in mind the airports at Montreal, Malton, Halifax and so on. We as federal taxpayers have invested more than $100 million in new construction to make it easier for passengers to arrive, board aircraft and be discharged from them.

I think a logical extension of this immense investment would be to take an interest in the access facilities to downtown areas so as to help people to travel more rapidly from these airports to their final points of destination. This calls for co-operation between the municipalities concerned and the Provincial Government, as well as between the Provinces and the Federal Government. In a very practical way I think we shall see another exercise in co-operative federalism in this field. I trust we shall see it at the Vancouver International Airport in the near future. I know we shall have a fine new air terminal in Canada's third largest and third busiest airport and I trust we shall also have by far the most efficient means of transporting passengers to outlying communities.

It is possible that a new tunnel—and I would certainly advocate a tunnel rather than a bridge—would enable passengers arriving at the airport to get to downtown Vancouver in 20 minutes. This would be a remarkable situation and a great improvement compared with the hour, or several hours sometimes, it takes to reach airports in other parts of the world from the centres of the cities they chiefly serve.

I, personally, as a private Member, intend to press for the construction in the near future of a $6 million four-lane tunnel under the North Arm of the Fraser River to speed up surface transportation to Vancouver International Airport.

Mr. Arnold Webster (Vancouver-Kingsway): The resolution presented by the Member for Burnaby-Richmond (Mr. Prittie) reminds us that in these days of rapid growth, one of the most difficult problems facing large cities is that of transportation. This is especially true of Vancouver because of the geographical features of the lower mainland. All motor traffic comes from the South or the East. The area we are now discussing and with which I am very familiar contains two islands, Lulu Island and Sea Island, formerly farmland but now largely subdivided into private homes occupied by people who work in Vancouver.

The suggested bridge or tunnel across the North Arm of the Fraser River would provide an alternate route for thousands of motorists during the morning and evening rush hours. We should remember, in this regard, that after the opening of the Oak Street Bridge several years ago the old bridge to Sea Island was demolished and never replaced. Another condition that merits examination is the fact that heavy traffic from and to the United States will continue to increase and create a bottleneck where cars leave the present bridge and enter Oak Street in Vancouver.

• (5:30 p.m.)

However, the most compelling reason for the Federal Government giving favourable consideration to the resolution before us is the need of providing a second route to the airport on Sea Island. Today there is not only the possibility of inconvenience and delay for thousands of passengers, but the ever present danger of inability to deal with emergencies which may arise at any time. Surely it is the responsibility of federal authorities to plan ahead and to recommend facilities that will assure uninterrupted access in the future from Vancouver to the International Airport.

Mr. Grant Deachman (Vancouver Quadra): Mr. Speaker, I am glad to see this resolution brought forward again this year. As the hon. Member for Burnaby-Richmond (Mr. Prittie) mentioned in his opening remarks, the resolution was put on the order paper last year; it came forward and was debated. Now a year has rolled by and we are a little nearer to having a new airport built in Vancouver, but there is still time to debate this resolution again.

I am sure, Mr. Speaker, it must come as something of a surprise to you to learn that while we are on the eve of letting tenders to build a very large airport terminal in Canada's third largest city we have not yet settled the question of how to get to it. Here is the airfield where it has sat now for many years since the airport on Sea Island was taken up first for R.C.A.F. purposes and as a local airport, and it has expanded until now it has become one of the great major airports of the country. The question of how to get to this little island in the mouth of the Fraser is still a critical question, and is apparently still an unsolved question as we come right to the moment when we are about to build this air terminal.

One would expect, naturally, that the Province, which is responsible for the building of roads, and the municipalities, which are responsible for the building of local roads, would long since have taken up this question and we would not now have to be threshing away with surveys such as my colleague the Parliamentary Secretary to the Prime Minister (Mr. Davis) mentioned in the course of his remarks, to determine whether to put a bridge and road through to this important airport. If the Province cannot get around to doing what the Province ought to do, supplying highways to the important points in British Columbia, I am sure the task will eventually fall back upon the Federal Government. The Federal Government will not let the people of Vancouver go begging one way or another, and will find some way of seeing that the road and the bridge are built.

If they do not, and these two jurisdictions are quite unable to do this, we will have a magnificent airport sitting out there on Sea Island and there will be no adequate access to it, except over the overcrowded Moray Channel approach. That will be a great day indeed for Okanagan Helicopters. This company, one of the biggest helicopter companies in the world, has its home base and head office on Sea Island, where this airport will be, and I am sure they would be delighted to lift all the passengers from the City of Vancouver to and from the airport if the Federal Government and the Provincial Government or the City of Richmond cannot figure how to get there by road or bridge.

When the hon. Member for Coast-Capilano, the Parliamentary Secretary, mentioned the

traffic that is growing on the Moray Channel bridge and which will shortly overcrowd that bridge, I reflected on how many times I myself had been held up going to and from that airport. One can recall the times not very long ago when the bridge, which is a swing-bridge, was opened to permit fishing vessels to go underneath. It is a narrow bridge. The road must converge at that point into one single stream of traffic in either direction in order for one to reach the airport or to come back from the airport. So that traffic cannot move very swiftly. Unless you hit it at rush hours, it is not too inconvenient; but at rush hours the traffic may back up until it is standing for several blocks in either direction waiting to get across the Moray Channel bridge. And at times when there is really some great occasion to move out to the airport, such as for a reception for some great person who comes to visit Vancouver, or something of this kind, then the road is plugged completely and vehicles stand there with the drivers pumping on their horns and hoping against hope that the traffic will move, wondering whether they will get home for dinner or whether they will have to camp out. So it is most important indeed that this matter be taken up along with the question of building a new airport at Vancouver.

While I am on this subject, Mr. Speaker, I want for a moment to digress. This is an hour of the day in which digressions seem to occur, and perhaps Your Honour will permit a digression in connection with the building of an airport at Vancouver. A number of us in Vancouver have been taking up with the Minister the question of airport art. As you know, it is the custom today to put into all the new airports in Canada some contentious art work. In the airport at Edmonton there is a great splash of a mural on the wall which looks as if an aircraft had "pranged" there.

Some hon. Members: Oh, oh.

Mr. Deachman: In the new airport at Regina, I think it is, they have some children's blocks placed upon the wall, painted in different colours, as children's blocks generally are, and that looks quite interesting. In the airport at Winnipeg they have some bars up and down and a few of them across, and that is a very interesting design indeed. I am sure an artist of great renown built that and sold it to the Department of Transport at a considerable price. In the airport at Toronto they have some rather different things. This shows the broadness of our national culture. There on a steel pole one can see several shafts or rods pointing in different directions, which gives one a bit of a feeling of flight. However, if flight should fail you can go down to the other end of the airport and there you can find what might be best described as junkyard art. This is that field of sculpture which embraces such things as old, cast-off engine blocks and things like that which have been moulded into some pleasant and appealing pattern. They have one or two of these in that airport.

We in Vancouver, Sir, thought a little differently about this. We had a notion, strange and antique though it might be, that we would like to see something representative of the culture and work of the coast. We thought in terms perhaps of some of the magnificent trees, and so on, which grow in our forests and which adorn many of our buildings and public edifices in Vancouver. We thought of our magnificent mountains; we thought of some of the great Indian art which has become a part of the culture and the heritage of the coast, and we went to the Minister and officials of the Department of Transport. I went along with other people from Vancouver interested in this matter to see them about it. Sir, we met with considerable resistance. No one really wanted to think that when you alighted in a city like Vancouver you should be unnerved by a regional feeling. The thought was that you should get a grip on the whole of Canada, as it were, as you stepped into the airport and should not see just the great mountains of the Pacific, the feeling of our forests, our woods and so on. But like that aircraft which "pranged" at Winnipeg, or those twisted engine blocks you can see at Toronto, you have a feeling of the whole country from junkyard to junkyard, from city to city, from Atlantic to Pacific. So we badgered them to some considerable extent. Gradually I felt some life was creeping into the Ministry and that, indeed, they might listen to us. I had hoped that when this airport was finished and the gates were opened you could go there and find, to the astonishment and dismay of art circles from coast to coast, something which you could recognize and which suggested to you that this is the great and broad country of the Pacific, something which we could all understand and appreciate.

• (5:40 p.m.)

Perhaps, Mr. Speaker, this is a digression which you will permit me, but I will try to return in a moment to the topic at hand. This

airport is important not only as the western terminus of Air Canada, not only as the home and base of a great commercial helicopter company, to which I referred a moment ago; it is also the head office and central terminal of Canadian Pacific Air Lines. I was very interested to hear the Minister of Transport (Mr. Pickersgill) announce in the House a few days ago the new policy for dividing the overseas operations of Air Canada and Canadian Pacific Air Lines into regions. As far as Canadian Pacific Air Lines is concerned, which will very shortly be a world girdling air line, one of the very few, its head office and base will be at this very airport to which we find such difficulty of access today. It will be bringing passengers and cargo from the Orient, from South America and from around the world through its head office and through this airport at Vancouver.

It is for this reason, as well as for the reason of serving other major Canadian air lines such as Air Canada and the local air lines which serve the interior of the province, that we need in Vancouver more than a single lane for traffic travelling in each direction to and from this airport. This is why it is essential that the planning of this access gets under way concurrently with the planning of this great terminal, so that when the gates of the terminal are opened we do not find ourselves as frustrated as we have been in the past with the inadequate road and bridge accommodation which is provided today.

I think that these remarks, brief and divergent though they may be, may give the House some idea of the importance of this issue and why my hon. friend from Burnaby-Richmond has seen fit to bring the question back in the form of the motion now before the House this day. I hope that this debate, which will be recorded in *Hansard*, will be read by the Minister, and indeed, more than that, will even be read by Mr. Gaglardi, the Minister of Highways of the Province of British Columbia, whose magnificent roads stretch almost everywhere except in adequate size to Sea Island, where we need a road, bridge and a new airport.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, it is a pleasure to hear a government member telling us how much he appreciates the efforts of a Social Credit minister of British Columbia in order to carry out splendid projects in road construction. I see the hon. member for Drummond-Arthabaska (Mr. Pepin) applauding. This shows perhaps that, like us, he appreciates highly the work done by the Social Credit government in British Columbia.

Mr. Speaker, the object of the notice of motion of the hon. member for Burnaby-Richmond (Mr. Prittie) is the building of a bridge or a tunnel across the North arm of the Fraser River between the City of Vancouver and Sea Island in the municipality of Richmond for the purpose of assuring uninterrupted access to the Vancouver International Airport.

In my opinion, this request is far from being extravagant. It is realistic and very worthwhile. I think the house should pass the motion right away, because it is not a matter of politics or partisanship; on the contrary, it is a question of giving to a province a service of which it was deprived up to now.

We are not well acquainted with British Columbia and this is something which is not done in the province of Quebec in spite of the fact that we have already asked for a bridge or tunnel between Quebec City and Lévis. We have no objection to the construction of a bridge or a tunnel within the limits of British Columbia. The hon. member is certainly right and his notice of motion was undoubtedly submitted as a result of requests from his constituents and citizens of Vancouver or people living in the vicinity of the Vancouver airport.

Mr. Speaker, we heartily support this motion and we hope that members of the government will not object to the building of a bridge or tunnel—whatever is the cheapest, because the burden of Canadian taxpayers is heavy enough as it is—in order to serve adequately the people from this area of Canada.

Mr. Speaker, since it is 5.50 p.m. and our group does not wish to prevent the passage of this notice of motion or the carrying out of this project, I shall speak no further.

Before resuming my seat, I shall merely add that we fully endorse the request of the hon. member for Burnaby-Richmond.

Mr. Prittie: You are very generous.

• (5:50 p.m.)

[*English*]

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Labour): Mr. Speaker, this seems to be British Columbia day in the House, with one exception. I believe the hon. Member who has just spoken has probably been out over the mountains and has begun to realize what a beautiful and great province

we have. I am, generally speaking, in agreement with the proposal made by the hon. Member for Burnaby-Richmond (Mr. Prittie). This would require, of course, another large expenditure on the part of the Federal Government in respect of what is essentially a provincial or municipal responsibility—more particularly provincial, as municipalities are creatures of provinces.

It should not be forgotten, as so often it is, Mr. Speaker, that Vancouver and the lower mainland of British Columbia is only part of that Province; that is, British Columbia consists of something more than just the lower mainland and Vancouver. Other expenditures are required in areas where the wealth of that Province is actually developed. In this regard there is a requirement for great expenditures on the part of the Provincial and Federal authorities in order to carry out joint programs. I would have thought that this matter, together with many others, would have been an excellent subject for discussion by the representatives from British Columbia, if not at the Dominion-Provincial Conference itself, at least with others here in Ottawa when the British Columbia Cabinet members and the officials are here attending that Conference. We have been informed, however, at least through the press, that the Premier of British Columbia finds it will be impossible for him to spend more than one and one half days at the Dominion-Provincial Conference, having just returned of course from two weeks abroad.

An hon. Member: He will be here.

Mr. Byrne: Yes, it is understood that he will be here, but it appears that he will not have sufficient time to discuss this important matter.

Mr. Caouette: I should like to ask the hon. Member a question. The hon. Member has just said that this expenditure would be too high. Will the hon. Member tell us whether there is a shortage of materials to build such a bridge or tunnel so that the required services may be provided at that point? Why is the hon. Member speaking about the expenditure, in view of the fact that everything physically necessary is available?

Mr. Byrne: Mr. Speaker, that is a typical expression of Social Credit philosophy: Anything that is physically possible is economically feasible. That may or may not be so, but so far in this discussion I have not said that the proposed project is not justifiable.

Let me assure the hon. Member that if the Premier and the Cabinet of the Province of British Columbia were more co-operative and assisted us at least in informing the general public as to the amounts of expenditures the Federal Government makes in respect of joint programs, and in respect of direct grants, it would be helpful, but this co-operation is singularly lacking on the part of the Cabinet of the Province of British Columbia. I think every Member, whether he is a politician or a statesman, must and does realize that under our system of responsible Government, and no one knows this better than the Cabinet of the Province of British Columbia, when an expenditure is made by a body that has collected the taxes, that body should at least receive some credit. It should be shown that the contributing body is contributing, otherwise our system of responsible Government breaks down, and I refer particularly to the federal system.

I should like to give one example of the lack of co-operation in this regard, and this refers to something which took place while the Conservative Party was in power here in Ottawa. On the completion of a section of the Trans-Canada Highway through a very mountainous section of the Rockies and Cascades, which had received great publicity, the Federal Government planned a joint Federal-Provincial grand opening ceremony. The Provincial Government rushed ahead and conducted an opening ceremony two weeks ahead of the planned joint opening. The joint financial arrangements for the construction of this section of the highway provided that the Federal Government would contribute 90 per cent of the cost of 10 per cent of the highway, plus 100 per cent of the cost of construction of the highway through Western National Parks. As a result of this the Federal Government spent almost $100 million, whereas the Provincial Government spent $2,700,000. That is an example of the lack of co-operation on the part of the British Columbia Cabinet, and that is why I say that at least in respect of joint programs the provincial governments should co-operate in a small measure by informing the general public as to the source of this money.

An hon. Member: It is six o'clock.

Mr. Winch: Would the hon. Member permit a question? Is the hon. Member sure that in

his recent automobile accident he only cracked his ribs?

Mr. Byrne: Would the hon. Member repeat his question, please.

Mr. Winch: I was wondering whether during the hon. Member's unfortunate and regrettable recent automobile accident he only cracked his ribs.

Mr. Byrne: From an observation of the actions of the hon. Member in this House over the past few years it is my thought that he must have had a serious accident some time ago.

The Acting Speaker (Mr. Batten): Order, please. I must inform the House that the time allotted for private Members' business has now expired. If there is any reference to the business for tomorrow, it should be made now.

BUSINESS OF THE HOUSE

Mr. MacNaught: Mr. Speaker, tomorrow we will resume the business that was interrupted at five o'clock, namely a discussion of the budget resolutions. If they are completed, and I should imagine they will be early tomorrow, we will then consider Item No. 10 on today's order paper, resuming debate on the motion of the Minister of Justice to set up a joint committee on penitentiaries. That will be followed by Item No. 21, a resolution preceding the Fisheries Improvement Loans Act; Item No. 22, a resolution preceding a bill to provide for the construction of the Canadian National Railway Froomfield spur line near Sarnia. We will then take up supplementary estimates A relating to the Department of Labour; payments under the winter house building program. On Monday there will be a supply motion.

Mr. Knowles: You have a quahaug's imagination.

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

HOUSE OF COMMONS

Thursday, June 17, 1965

The House met at 2.30 p.m.

EXTERNAL AFFAIRS

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. John R. Matheson (Leeds) moved that the first report of the Standing Committee on External Affairs presented to the House on Tuesday, June 15, 1965, be concurred in.

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, before this motion is agreed to I must point out that the member of our party who sits on this committee will find it hard to attend every sitting, since it will meet while the house is sitting.

It is understood that if a matter relating to external affairs is being discussed in the house, so that the attendance of our representative is required in the house, he will not be able to be in both places at the same time.

I merely wanted to warn the house, and especially the members who have criticized us in the past, suggesting that we did not attend certain committee meetings. Both sides of the matter must be considered.

If the committee and the house meet at the same time in the future, our representative will certainly not be in a position to be in both places. I only wanted to forewarn the house.

Motion agreed to.

CONSUMER CREDIT

MOTION FOR ESTABLISHMENT OF JOINT COMMITTEE

On the order: Government notices of motions:

June 15—The Solicitor General:

That a joint committee of the Senate and House of Commons be appointed to inquire into and report upon the problems of consumer credit, more particularly but not so as to restrict the generality of the foregoing to inquire into and report upon the operation of Canadian legislation in relation thereto;

That twenty-four members of the House of Commons to be designated by the House at a later date, be members of the joint committee, and that standing order 67(1) of the House of Commons be suspended in relation thereto;

That the said committee have power to call for persons, papers and records and examine witnesses; to sit while the House is sitting, and to report from time to time and to print such papers and evidence from day to day as may be deemed advisable, and that standing order 66 be suspended in relation thereto; and to engage the services of counsel, accountants and such other clerical and technical personnel as may be deemed necessary, that the minutes of proceedings of and evidence given before the joint committee at the past session be referred to the said committee and be made part of the records thereof; and that a message be sent to the Senate requesting that House to unite with this House for the above purpose, and to select, if the Senate deems it advisable, some of its members to act on the proposed joint committee.

Mr. Deputy Speaker: Pursuant to section 2 of Standing Order 21, this notice of motion is transferred to and ordered for consideration under government orders at the next sitting of the House.

AGRICULTURE

FEED GRAINS—SPEECH BY FORESTRY MINISTER RESPECTING WHEAT BOARD

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I rise to ask the Acting Prime Minister whether the Government intends to make changes in the Wheat Board act, and whether the Minister of Forestry in the speech which he was kind enough to send me was expressing Government policy when he said:

The policy of the Canadian Wheat Board cannot be regarded as a national farm policy.

And further:

The Canadian Wheat Board is therefore using its powers for strictly regional purposes.

And later on:

If we are to change the present feed grains policy, we have two options before us: either the Canadian Wheat Board relinquishes its wide powers over what happens to feed grains in Canada, in exchange for a gradual abandonment of freight assistance for grains shipped to eastern Canada, or the Prairie producers will have to resign themselves to seeing the eastern feeders set up an effective countervailing agency. Since acceptance of

the first option seems highly unlikely for the time being, the setting up of an agency in eastern Canada with wide powers, plus a system of equalization payments based on the difference in price between the two grain markets, seems to offer an alternative worth considering.

Is the Government in agreement with this speech? Does it agree with the view that the wheat board "juggles with delivery quotas, adjusts interim payments and regulates the allotment of freight cars, and has sometimes been able to bring about an artificial rationing of feed grain availabilities at the Lakehead"? Does this speech represent the view of the Government, and does the Government intend to attack the wheat board in this way, an attack that has not been made against that body for as far back as I remember?

Mr. Fisher: The new guard.

Hon. Maurice Sauvé (Minister of Forestry): Mr. Speaker, on Friday when I spoke in Drummondville I was talking about options. This is on page 2 of the speech, where I said:

We shall now consider the various options open for Federal Government action in an attempt to resolve the problems just raised.

I tried as much as possible to explain how the feed grains market operated in Canada, and I explained the various problems. It seemed to me that inasmuch as I was trying to explain to people what was happening, I was doing my duty so that public discussion could follow the presentation of the report of the Standing Committee on Agriculture and Colonization of the House of Commons, which was tabled in this House on March 22, 1965. Before Government legislation was introduced in this House it would be excellent to have public discussion. You will recall, Mr. Speaker, that in the Speech from the Throne there was an announcement about a feed grains policy.

Mr. Diefenbaker: Mr. Speaker, I did not know the Minister would be answering this question. Does the Minister now state that he believes the Wheat Board, "by juggling with delivery quotas, adjusting interim payments and regulating the allotment of freight cars, has sometimes been able to bring about an artificial rationing of feed grain availabilities at the Lakehead, basic stocks on which the bidding runs on the Winnipeg Grain Exchange"?

Does he believe that these charges against the Wheat Board are well founded, and do they represent Government policy?

Mr. Sauvé: Mr. Speaker, it is evident that inasmuch as the wheat board and the brokers are the only outlet for feed grain for eastern farmers, the price is set by the wheat board for eastern feeders.

[Mr. Diefenbaker.]

Mr. W. H. Jorgenson (Provencher): A supplementary question, Mr. Speaker. Does the Minister not realize that in the report of the Standing Committee on Agriculture and Colonization, which he quoted, they completely absolved the Canadian Wheat Board of any responsibility for the problems of feed grain in eastern Canada?

Mr. Deputy Speaker: Order, please. May I suggest that this is becoming a debate.

An hon. Member: Answer that question.

Mr. Smallwood: That is a good question. Get up and answer it.

[*Later:*]

Mr. E. Nasserden (Rosthern): Mr. Speaker, I should like to ask the Minister of Forestry what he meant by the "pervasive influence" of the policies pursued by the Canadian Wheat Board.

Mr. Deputy Speaker: Order. I suggest this is not a proper question at this time.

Mr. Nasserden: Mr. Speaker, I submit that when a Minister of the Crown attacks an agency of government such as the Canadian Wheat Board using the word "pervasive" in regard to influence, that is a matter which should be brought up on the floor of the House of Commons.

Mr. Deputy Speaker: The hon. Member has done that now.

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, my question is addressed to the Minister of Trade and Commerce and deals with the same matter. I want to ask the Minister of Trade and Commerce this question in view of his remarks in Winnipeg on June 11, which was the same day the Minister of Forestry made his remarks at Drummondville. Does he agree with the scurrilous statement made by the Minister of Forestry against the Canadian Wheat Board?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, I have only heard the excerpts that were read by the Leader of the Opposition, and if that was all that my colleague said, then I would not agree.

An hon. Member: Read the rest.

Mr. Sharp: I cannot say whether the Leader of the Opposition has fairly represented the views of my colleague.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Mr. Speaker, may I immediately ask that the Minister of Forestry table in the House and make available to the Minister who reports to Parliament for the wheat board these statements that are a scandalous derogation of the Wheat Board. I am surprised that the Minister has not seen these statements.

Mr. Deputy Speaker: Order, please.

[*Later:*]

[*Translation*]

Hon. Théogène Ricard (St. Hyacinthe-Bagot): Mr. Speaker, I should like to put a supplementary question to the Acting Prime Minister.

Does the Minister support and approve the remarks and views of the Minister of Forestry (Mr. Sauvé) concerning feed grain as expressed in Drummondville last week?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, I would like to examine this statement before answering. I would be undoubtedly pleased to say to my hon. friend that I agree, but I will at first consider this statement.

Mr. Ricard: Can I infer that the Acting Prime Minister is in agreement with his colleague the Minister of Forestry?

Mr. Martin (Essex East): I have already answered that question, Mr. Speaker.

[*English*]

Hon. D. S. Harkness (Calgary North): Mr. Speaker, I should like to direct a question to the Liberal Party chief agricultural critic while in opposition, the present Acting Prime Minister. Is the basic purpose of the Government's agricultural policy in regard to feed grains to transfer to the greatest extent possible the feeding of livestock from western Canada to eastern Canada?

Mr. Martin (Essex East): Mr. Speaker, first of all may I say that I would be lacking in the human qualities if I did not at once acknowledge the tribute which the former Minister of Agriculture has paid to my capacity as agricultural critic in those days when he was both the Minister of Agriculture and the Minister of National Defence. I should say, however, that when he was Minister of Agriculture he did not recognize these qualities to the same generous degree that he has today. I will have to take notice of the question.

Som hon. Members: Oh, oh.

[*Later:*]

Mr. T. C. Douglas (Burnaby-Coquitlam): I rise on a point of order. The Minister of Forestry quoted from the speech he made in Drummondville. We are all interested in it and in view of the fact that he has quoted it in the House would he agree to table it?

Mr. Fisher: Get it printed in *Hansard.*

Some hon. Members: Hear, hear.

Mr. Deputy Speaker: I understand that since this is not an official document the unanimous consent of the House would be required in order to have it published as an appendix to *Hansard.*

Some hon. Members: Agreed.

Mr. Churchill: No.

Mr. Deputy Speaker: I understand there is an objection.

Mr. Churchill: Table the speech. Only its tabling should be accepted.

Mr. Douglas: On a point of order. Surely the Minister cannot quote from a document without tabling it.

Mr. Deputy Speaker: Order, please. This is a very simple matter. If the Minister is prepared to table it and there is no objection, we shall proceed on that basis.

Mr. Knowles: Agreed.

TRADE

WHEAT—EXTENSION OF INTERNATIONAL AGREEMENT

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I wonder whether the Minister of Trade and Commerce could give the House some information with respect to the International Wheat Agreement. I understand that the present agreement, which expires on July 31 this year, is to be extended for one year, and that the United States Senate has just ratified the extension in so far as that country is concerned. Has Canada signed an extension? Will this matter be referred to the House of Commons? If it has not been signed by the Government of Canada, is it the Government's intention to sign it fairly soon?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, my recollection is that I announced in this House that it was the Government's intention to agree to an extension for one year. There are no changes

in the provisions of the international wheat agreement; the provisions are simply to be extended for another year. At that time I expressed the hope that the United States would ratify the extension, and it has done so.

There will be an opportunity, I hope very soon, for the estimates of the Department of Trade and Commerce to be brought forward for discussion, at which time there will be an opportunity to examine me and members of the Canadian Wheat Board.

Mr. Douglas: A supplementary question, Mr. Speaker. Are meetings now going to be held with respect to either a new agreement or a further extension after the expiration of the present agreement, which will expire on July 31, 1966? Has the Minister any hope that there will be any change in the price range?

Mr. Sharp: Mr. Speaker, the international wheat agreement was not renegotiated but was simply extended for another year because of the discussions now going on in Geneva concerning a cereals agreement which will comprehend not only wheat but other grains. It was because of those discussions which were proceeding currently that it was decided that it would not be in order to attempt to renegotiate the international wheat agreement itself. We are hopeful, indeed I can give the assurance, that there will be an agreement in effect before the present international wheat agreement expires.

LABOUR RELATIONS

STRIKES OF GRAIN HANDLERS AT VANCOUVER AND MONTREAL

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to address a question to the Minister of Labour. I should like to ask him whether any progress is being made in settling the strike of grain handlers at the port of Montreal. I understand that a federal labour conciliator has been appointed. I would also ask him the position of the grain handlers' strike which has been going on in Vancouver for the last two weeks.

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, in Vancouver the Industrial Inquiries Commission is still at work and has not yet reported on efforts which are continuing to settle the dispute. In Montreal the officers of the Department are presently attempting to get a resumption of work so that the conciliation board can proceed in a normal way to deal with this dispute.

HOUSE OF COMMONS

IMPROVEMENT OF WORKING CONDITIONS OF INTERPRETERS

On the orders of the day:

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I should like to put a question to the Secretary of State.

I have been informed that the employees doing the simultaneous interpretation of the debates of the house come under the Civil Service Commission instead of coming under the Speaker of the house.

Could consideration be given to changing their status; there are six interpreters at the present time and they work from 2.30 p.m. to 10 p.m.? Under the circumstances they are not treated as human beings because they are overworked.

Would the Secretary of State see to it that the lot of the interpreters of the house is improved?

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, some time ago I gave a lengthy reply to a question put by the hon. member for Quebec East (Mr. Beaulé) and the hon. member for Burnaby-Richmond (Mr. Prittie). I said then, among other things, that the working conditions of the interpreters of the house were being considered very carefully. I hope to be able to make a statement very soon in this regard.

Mr. Caouette: Mr. Speaker, a supplementary question.

Would the Secretary of State consider the possibility of transferring interpreters from the Civil Service Commission to the staff of the house?

Mr. Lamontagne: Yes, Mr. Speaker.

[*English*]

CANADIAN BROADCASTING CORPORATION

VANCOUVER—POSSIBLE USE OF FORMER R.C.A.F. BASE

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I desire to direct a question to the Secretary of State which is of a most urgent nature, and of which I gave notice yesterday afternoon.

I should like to ask the Minister whether Mr. Caple, the regional director of the C.B.C. in Vancouver, spoke with the authority of the Government when he advised the Van-

couver City Council that the C.B.C. would require a lease of not less than 25 years on the former R.C.A.F. Kitsilano property, and that if the same was not forthcoming the C.B.C. would remove its operations from Vancouver to some adjoining municipality. Further, did the same Mr. Caple have the authority of the Government to repudiate the commitment given last fall by Hon. John Nicholson, that the Federal Government would contribute financially to urban development in downtown Vancouver, which development would include a location for the C.B.C. if the City of Vancouver and the Province would participate on a financial basis?

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, I have already asked the C.B.C. to make a full report about this incident, but unfortunately I have not yet received that report. As soon as I receive it I will be very pleased to answer the question the hon. gentleman has asked.

Mr. R. W. Prittie (Burnaby-Richmond): I have a supplementary question, Mr. Speaker. Will the Minister remind the President of the Canadian Broadcasting Corporation that land in Burnaby has been offered to the C.B.C. if it cannot find a location in Vancouver?

BICULTURALISM AND BILINGUALISM

VISIT TO YUGOSLAVIA BY DELEGATION OF COMMISSION

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the Secretary of State. Will he inform the House whether he has authorized or the Bilingualism and Biculturalism Commission has decided to send a delegation to Yugoslavia, and for what purpose?

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, I have said repeatedly in the House that I am not responsible for this or any other Royal Commission. The Prime Minister is responsible for Royal Commissions.

Mr. Nielsen: Then may I ask the Acting Prime Minister if this is the case?

Hon. Paul Martin (Acting Prime Minister): What was the question?

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): Mr. Speaker, I was thinking of the brilliance of my reply to the hon. Member for Calgary North. I will therefore want to carefully consider my reply to this question.

Mr. Nielsen: Will the Acting Prime Minister answer it tomorrow?

Mr. Martin (Essex East): I will certainly endeavour to do so if the circumstances warrant a reply.

EXTERNAL AFFAIRS

NATO—POSSIBLE WITHDRAWAL OF CANADIAN FORCES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I should like to address a question to the Minister of National Defence. In view of the fact that that great British field commander, Field Marshal Montgomery, has recently expressed the opinion that British forces no longer serve a useful purpose in Europe and has urged their withdrawal from NATO at this time, would the Minister inform the House whether the Canadian Government is giving consideration to the withdrawal of all Canadian forces now committed to NATO in Europe?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I just received notice of this question as I entered the House and I have not yet seen the article referred to by my hon. friend containing the statements attributed to Field Marshal Montgomery. I would certainly want to study it very carefully before expressing any opinion on the matter.

With regard to the direct question, is the Government of Canada giving consideration to the withdrawal of all Canadian forces now committed to NATO in Europe, the answer is no.

[*Later:*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, on June 11 I asked the Secretary of State for External Affairs a question with regard to reports of basic shifts in the policy of western countries in NATO and whether this would involve a reduction in Canadian forces in Europe at this time. The Minister of National Defence has partially answered, but I am wondering whether the Secretary of State for External Affairs can confirm that there are these basic shifts in the defence policy of western countries in Europe, and can tell us in which of these changes Canada is actually involved.

Inquiries of the Ministry

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I am sorry I did not give this reply earlier. I had intended to give it yesterday but my hon. friend was unavoidably absent, I am sure on public business.

Hon. Members are aware that reports of a speculative character appear from time to time concerning developments in NATO, and particularly concerning the effect of these developments on the future of the alliance. The Canadian military contribution to NATO is, of course, under constant review in the light of political, strategic and technological developments in order that Canada, like other member states, may determine the best way in which we can make a realistic contribution to NATO's capability to deter aggression. Thus, for example, Canada last year committed a battalion group to the allied command Europe mobile forces which was established to enable SACEUR to respond to threats to the flanks of NATO. I think that my colleague's reply of a few moments ago, read in conjunction with this reply, will more than satisfy my hon. friend.

EDUCATION

STUDENT LOANS—DISCLOSURE OF INCOME OF PARENTS

On the orders of the day:

Mr. George Muir (Lisgar): Mr. Speaker, I have a question for the Minister of Finance. Inasmuch as the Government is now going to apply a means test in granting student loans, will the Minister explain how he justifies the required disclosure of the parents' taxable income, when it is my understanding that even the Minister of National Revenue is prohibited from making such disclosures?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I presume my hon. friend is referring to the report tabled last week on this matter. As I said at the time, or I think I did, the officials of the Provinces who have been working on the application or administration of this program with the officials of the Department of Finance include Provincial officials who have had the most experience in this field. It was their view that if this particular program was to be administered uniformly and fairly across the country, they should ask for certain information.

As my hon. friend will know, it was agreed that the administration of the program would be left to the Provincial officials. It was their considered judgment that they should ask for such information, and that is why the matter is included in the report. They have been asking for information about the financial position of parents. They feel strongly that they should ask for this information; and it is information which the parent, of course, is free to provide or not as he sees fit.

Mr. Muir (Lisgar): A supplementary question, Mr. Speaker. Is it the Minister's view that parents should be forced to disclose their financial means to the Provincial authorities—

Mr. Gordon: There is no enforcement, Mr. Speaker.

Mr. Muir (Lisgar): —before such loans can be obtained?

Mr. D. M. Fisher (Port Arthur): As a supplementary question I would like to ask the Minister whether his officials have had legal advice from the Department of Justice, in that the asking of such information by any authority from a taxpayer may be illegal under the acts administered by the Department of National Revenue.

Mr. Gordon: I will be glad to inquire as to whether they had any formal legal opinion on the matter. This is a practice which has been followed in the provincial field for many years, but on the particular question I will be glad to inquire into it.

LABOUR CONDITIONS

BRITISH COLUMBIA—EMPLOYMENT OF OLDER WORKERS AT MILITARY CAMP

On the orders of the day:

Mr. Stuart A. Fleming (Okanagan-Revelstoke): Mr. Speaker, my question is directed to the Minister of Labour. In view of his presumed interest in the fortunes of older workers in this country, may I ask him why a directive has been issued by his Department forbidding the employment of temporary workers over 65 years of age at Vernon military camp this summer?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I cannot offhand understand how the Department of Labour would issue a directive of this kind, but I would be glad to inquire and advise my hon. friend later.

Mr. Fleming (Okanagan-Revelstoke): As a supplementary question may I ask why the Minister has not been made aware of the fact that I wrote to him on the subject on June 7 and have not even had the courtesy of an acknowledgement? What I am particularly concerned about, and I said this

in my letter, is the position of war veterans allowance recipients and disability pensioners who have always had these opportunities, but who have been advised this year that they are withdrawn.

Mr. MacEachen: Mr. Speaker, I regret that my hon. friend's letter has not been answered, but I will look into the matter and advise him more fully later.

CANADA LABOUR CODE

EXPLANATORY ADVERTISEMENTS INCLUDING PICTURE OF LABOUR MINISTER

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I have a question for the Minister of Labour, and I am sorry I did not send him notice of it. Will the Minister tell the House whether the very expensive full page advertisements which appeared in a number of newspapers yesterday purporting to give an account of the Canada Labour (Standards) Code passed by Parliament, and which contained excellent pictures of himself standing before a microphone in front of the parliament buildings, were paid for by the taxpayers of Canada; also, whether he thinks it is appropriate to introduce political propaganda into paid public advertisements?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, the advertisement was paid for by the Department of Labour in an effort to inform the Canadian public as to the terms of the Canada Labour (Standards) Code. It was suggested as an effective form of advertising, and I think it has demonstrated itself in that respect in view of the interest of my hon. friend and others in it. If he will look again at the ad he will observe there is no picture of the Minister of Labour in the ad at all.

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I would like to ask the Minister a supplementary question. Did he approve of the ad?

Mr. MacEachen: Yes, Mr. Speaker, I approved of the ad after careful consideration.

Mr. Diefenbaker: Of the political benefits.

Hon. Théogène Ricard (St. Hyacinthe-Bagot): A while ago the Minister said it was not his picture that appeared in this advertisement. Could the Minister tell us whose picture it was?

Mr. MacEachen: Mr. Speaker—

Mr. Deputy Speaker: Order, please.

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I want to ask the Minister of Labour whether his department is planning to supply more substantial, more factual and more detailed information, particularly with regard to how the Canada Labour (Standards) Code is going to affect railway and marine workers; and will he supply this before July 1 in lieu of the advertisement in which we have all taken such an interest, and which glorifies and beautifies the Minister so much?

Mr. MacEachen: Mr. Speaker, it is proposed to distribute a booklet in connection with the Canada Labour Code containing greater detail with respect to the operation of the Code itself, and very shortly we hope to be able to announce the regulations, that are now under consideration by the Government, in connection with the Code. When these additional steps are taken a good deal of the interest shown by the groups mentioned will be expressed in them.

Hon. D. S. Harkness (Calgary North): Is this further pamphlet that is to be issued going to be in the same format as the advertisement which we have just been talking about, primarily designed to enhance the self-aggrandizement of the Minister?

Mr. Deputy Speaker: Order, please. The 30 minutes allotted for questions has now expired.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, the question period having expired, I rise on a question of privilege. The Minister has just said that the ad did not have his picture in it. Well, I have the ad here, and this person noted for his masculine pulchritude has all the appearance of being the Minister. Does he disavow this person as being he?

Mr. MacEachen: Mr. Speaker, in reply to the question of privilege raised by the Leader of the Opposition, I said it was not a picture. It is not a photograph.

Mr. Diefenbaker: Oh.

Mr. MacEachen: It has been suggested that it is a likeness of the Minister of Labour, but it is not a picture or a photograph.

Mr. Diefenbaker: More deception.

Mr. Deputy Speaker: Order. Is the hon. Member for Burnaby-Coquitlam rising on the same question of privilege?

Mr. Douglas: No.

Mr. Deputy Speaker: Then I suggest to hon. Members that there is no point of privilege in what has been raised by the Leader of the Opposition, and I would like to call the orders of the day.

APPLICATION OF MINIMUM WAGE TO FEDERAL WORK UNDER CONTRACT

On the orders of the day:

Mr. David Orlikow (Winnipeg North): In connection with the Canada Labour (Standards) Code I would like to ask the Minister whether the provisions of the Code in respect to the minimum wage of $1.25 an hour will be applied to employees working on Federal Government work which is contracted, bid or tendered for by Canadian business or industry?

Hon. A. J. MacEachen (Minister of Labour): Yes, Mr. Speaker. I have indicated several times that it is the intention of the Government to propose amendments to the Fair Wages and Hours of Labour Act, applying the wage principle to special categories of Federal contracts.

PENSIONS

CANADA PLAN—INQUIRY AS TO INFORMATION PAMPHLETS

On the orders of the day:

Mr. S. J. Enns (Portage-Neepawa): Mr. Speaker, my question was intended for the Minister of National Health and Welfare, but perhaps in her absence her Parliamentary Secretary might shed some further light on the information pamphlet which arrived on our desks which deals with old age security pensions, the question of when to apply and so on. The Canada Pension Plan is a very complicated piece of legislation. Is this one of a series of pamphlets about this important legislation, or is this all the information the public will be given?

Mr. J. C. Munro (Parliamentary Secretary to Minister of National Health and Welfare): I am informed it is one of a series.

WAYS AND MEANS

The House in Committee of Ways and Means, Mr. Lamoureux in the Chair.

INCOME TAX ACT

Resolved, that it is expedient to introduce a measure to amend the Income Tax Act and related provisions of the Federal-Provincial Fiscal Arrangements Act and to provide among other things

1. That for the 1966 and subsequent taxation years the income tax payable by an individual be reduced

by an amount equal to the lesser of 10 per cent of basic tax or $600 and for the 1965 taxation year by an amount equal to the lesser of 5 per cent of basic tax or $300.

2. That for the 1965 and subsequent taxation years a taxpayer may deduct in computing his taxable income an amount for the support of a person who was his niece or nephew and who during the year resided in Canada, was wholly dependant upon him for support, and was

(a) under 21 years of age,

(b) 21 years of age or over and dependant by reason of mental or physical infirmity, or

(c) 21 years of age or over and in full-time attendance at a school or university,

(d) the mother of the niece or nephew was divorced or separated and not in receipt of alimony or similar payments, or

(e) the father of the niece or nephew was deceased or mentally or physically infirm,

not exceeding $300 if the person was a child qualified for family allowance and $550 if he was not so qualified.

3. That for the 1965 and subsequent taxation years a taxpayer may deduct in computing his taxable income an amount not exceeding $550 expended by him during the year for the support of a person who was his aunt or uncle and who during the year resided in Canada and was dependant upon him for support by reason of mental or physical infirmity.

4. That for the 1970 and subsequent taxation years the additional exemption of $500 now allowed to a taxpayer who has attained the age of 65 years be allowed only if the taxpayer has attained the age of 70 years and that for the taxation years 1966 to 1969 inclusive a taxpayer who has attained the age of 65 years but has not attained the age of 70 years be allowed the additional exemption of $500 only if he did not receive a pension under the Old Age Security Act in respect of any month in that year.

5. That for the 1965 and subsequent taxation years a taxpayer who deducts in computing his income from an office or employment

(a) annual dues to maintain membership in a trade union or to maintain membership in an association of public servants,

(b) annual dues retained from his remuneration pursuant to the provisions of a collective agreement and paid to a trade union or association, or

(c) annual professional membership dues the payment of which was necessary to maintain a professional status recognized by statute,

shall not by reason of such deduction be ineligible to deduct the standard deduction of $100 described in paragraph (ca) of subsection (1) of section 27 of the Act.

6. That for the 1966 and subsequent taxation years a person, the spouse of such person residing with him and previously resident in Canada, or any dependant child of such person, shall be deemed to have been resident in Canada throughout a taxation year if such person was at any time in the year performing services in a country other than Canada under a prescribed international development assistance program of the Government of Canada, and was resident in Canada during a part of the year preceding the commencement of such services.

7. That for the 1966 and subsequent taxation years a contribution made by a person under the Canada Pension Plan or under a provincial pension plan

as defined in section 3 of the Canada Pension Plan may be deducted in computing the income of such person.

8. That for the 1965 and subsequent taxation years the limitation on the amount related to earned income that a taxpayer may deduct as a premium under a registered retirement savings plan be increased from 10 per cent of earned income to 20 per cent of earned income.

9. That for the 1965 and subsequent taxation years such part of any amount that would otherwise be included in computing income of a taxpayer as a retiring allowance be deductible if it is paid in the year, or within 60 days after the end of the year, as a contribution to a registered pension fund or plan, as a premium under a retirement savings plan, or to a trustee under a deferred profit sharing plan.

10. That there may be deducted in computing the income of a taxpayer an amount in respect of an outlay or expense made by the taxpayer in the 1965 and subsequent taxation years

(a) to a person with whom the taxpayer is dealing at arms length and who is the lessee of property owned by the taxpayer, to obtain the cancellation of a lease on such property,

(b) for landscaping property used by the taxpayer for the purpose of gaining or producing income,

(c) for clearing land or laying tile drainage for the purpose of carrying on a farming business,

(d) as or on account of the cost of making representation to a government, municipality or other public authority in connection with a business carried on by the taxpayer, including representations for the purpose of obtaining a licence, permit, franchise or trademark,

(e) as or on account of the cost incurred in investigating the suitability of a site for a building or other structure planned by the taxpayer for use in connection with a business carried on by him.

11. That for the 1965 and subsequent taxation years a corporation shall be deemed to be resident in Canada throughout a taxation year if

(a) it was incorporated in Canada before April 27, 1965 and was resident in Canada in its taxation year that included April 26, 1965 or in any subsequent taxation year, or

(b) it was incorporated in Canada after April 26, 1965.

12. That with respect to payments received by a taxpayer after April 26, 1965, other than a payment made upon the death of an employee, the amount that a taxpayer may elect to have taxed under section 36 of the Act shall not exceed

(a) in the case of a single payment

(i) out of or pursuant to a superannuation or pension fund or plan, or

(ii) pursuant to deferred profit sharing plan, or

(iii) pursuant to an employee's profit sharing plan,

$1,500 times the number of years during which the employee, in respect of whom the payment was made, was a member of the plan, or

(b) in the case of

(i) a single payment upon retirement of an employee in recognition of long service, or

(ii) a payment or payments made by an employer to an employee or former employee upon or after retirement in respect of loss of office or employment

$1,000 times the number of years during which the employee, in respect of whom the payment was made, was an employee of the employer who made the payment.

13. That for taxation years commencing after April 26, 1965, a trust or estate (other than a trust or estate arising on death) that has income from a business carried on by it in Canada may not deduct in computing its income an amount paid or payable to a beneficiary who is

(a) a non-resident of Canada,

(b) a non-resident-owned investment corporation, or

(c) another trust or estate resident in Canada,

unless that other trust or estate

(i) arose on a death, or

(ii) has been since April 26, 1965 a beneficiary of the trust or estate paying the amount and the trust or estate paying the amount has been carrying on the business since April 26, 1965,

and any amount paid or payable out of the income for the year of the first-mentioned trust or estate will continue to be included in the income of its beneficiary notwithstanding the fact that the first-mentioned trust or estate was not entitled to deduct the amount in computing its income.

14. That for the 1965 and subsequent taxation years the amount of income derived from a new mine that a corporation may exclude in computing its income shall be confined to income from the operation of the mine by the corporation.

15. That where a joint exploration corporation acquires after April 26, 1965 a right, licence or privilege to explore for, drill for or take petroleum, natural gas or other related hydrocarbons, the cost of the right, licence or privilege may not be renounced to a shareholder corporation.

16. That for the 1965 and subsequent taxation years an amount that a taxpayer may exclude from his income because it is consideration for a mining property acquired as the result of his effort as a prospector, or as the result of efforts of a prospector who was employed or financially assisted by him, shall not include a share of profits, a royalty or a payment based on production.

17. That the Minister of National Revenue with the approval of the Governor in Council may on behalf of the Government of Canada enter into an agreement with the government of a province, under which one government undertakes to transfer to the other, in respect of income tax paid by an individual from whom deductions were made at source as though he were resident in a place other than the province in which he was resident on the last day of the year, a part of the amount deducted or withheld under section 47 of the Act or a similar provision of a provincial income tax act.

18. That in order to give effect to the provisions of paragraph 1 without reducing the amount of equalization payments to any province a consequential amendment be made to the Federal-Provincial Fiscal Arrangements Act to adjust the fractions set out therein in the definition of "standard individual income tax" used in the computation of equalization payments.

19. That a new section be added to the Act concerning expenditures of a taxpayer for advertising space in a non-Canadian newspaper or periodical having effect substantially as follows:

"12A (1) In computing income, no deduction shall be made in respect of an otherwise deductible outlay or expenses of a taxpayer for advertising space in an issue of a non-Canadian newspaper or periodical dated after December 31, 1965 for an advertisement directed primarily to a market in Canada.

(2) An issue or edition of an issue of any newspaper or periodical that is edited in whole or in part in Canada and printed and published in Canada and that was not on April 26, 1965 a Canadian newspaper or periodical shall be deemed, for the purposes of subsection (1), not to be an issue of a non-Canadian newspaper or periodical if

(a) through the period of twelve months ending April 26, 1965 issues or editions of issues of that publication were being edited in whole or in part in Canada and printed and published in Canada at the usual intervals for issues of that publication and have since that date continued to be so edited, printed and published without interruption except for a reason other than the cessation of the business of publishing that publication; and

(b) in the case of a periodical, the periodical is similar, in content and in respect of the class of readers to whom it is directed, to the issues or editions of that periodical that were throughout the period of twelve months ending April 26, 1965 being edited in whole or in part in Canada and printed and published in Canada.

(3) Subsection (1) does not apply with respect to an advertisement in a special issue or edition of a newspaper that is edited in whole or in part and printed and published outside Canada if such special issue or edition is devoted to features or news related primarily to Canada and the publishers thereof publish such an issue or edition not more frequently than twice a year.

(4) Subsection (1) does not apply with respect to an advertisement in

(a) a catalogue, or

(b) any publication the principal function of which is the encouragement, promotion or development of the fine arts, letters, scholarship or religion.

(5) In this section,

(a) 'Canadian issue' means,

(i) in relation to a newspaper, an issue, including a special issue,

(A) the type of which, other than the type for advertisements or features, is set in Canada,

(B) the whole of which, exclusive of any comics supplement, is printed in Canada,

(C) that is edited in Canada by individuals resident in Canada, and

(D) that is published in Canada, and

(ii) in relation to a periodical, an issue, including a special issue,

(A) the type of which, other than the type for advertisement, is set in Canada,

(B) that is printed in Canada,

(C) that is edited in Canada by individuals resident in Canada, and

(D) that is published in Canada,

but does not include an issue of a periodical

(E) that is produced or published under a licence granted by a person who produces or publishes issues of a periodical that are printed, edited or published outside Canada, or

(F) the contents of which, excluding advertisements, are substantially the same as the contents of an issue of a periodical, or the contents of one or more issues of one or more periodicals, that was or were printed, edited or published outside Canada,

(b) 'Canadian newspaper or periodical' means a newspaper or periodical the right to produce and publish issues of which belongs to or is vested in

(i) a Canadian citizen,

(ii) a partnership of which at least ¾ of the members are Canadian citizens and in which interests representing in value at least ¾ of the total value of the partnership property are owned by Canadian citizens,

(iii) an association or society of which at least ¾ of the members are Canadian citizens,

(iv) Her Majesty in right of Canada or a province, or municipality in Canada, or

(v) a corporation

(A) that is incorporated under the laws of Canada or a province,

(B) of which the chairman or other presiding officer and at least ¾ of the directors or other similar officers are Canadian citizens, and

(C) of which, if it is a corporation having share capital, at least ¾ of the shares having full voting rights under all circumstances, and shares representing in the aggregate at least ¾ of the paid-up capital, are owned by Canadian citizens or by corporations other than corporations controlled directly or indirectly by citizens or subjects of a country other than Canada; and

(c) 'issue of a non-Canadian newspaper or periodical' means an issue that is not a Canadian issue of a Canadian newspaper or periodical."

Mr. Prittie: Before I continue my remarks I should like to ask the Minister of Finance a question which has occurred to me. Will the effect of the Canadianizing of *Time* magazine permit the Time-Life Corporation to purchase Canadian radio and television stations? I believe the Corporation owns a number of such stations in the United States.

The Chairman: Order, please. It is very difficult to follow the hon. Member's speech.

Mr. Prittie: I think the Minister heard my question, the question I should like to ask before I proceed further.

Mr. Gordon: The answer is no, Mr. Chairman.

Mr. Fisher: How can we be sure?

Mr. Prittie: We shall have more to say about this later.

There has been a great deal of discussion about the clause which deals with newspapers and the proposal to retain Canadian ownership of Canadian newspapers. Some have said that the freedom of the press is involved in this proposal. I cannot agree with that at all. If we consider what the freedom of the press means we can only conclude that it means freedom to print editorials and news stories without government interference or censorship of any kind. And it presumably includes freedom to establish publications in the country. In practice the latter freedom is severely restricted by economics, as I am sure the owners of the Vancouver *Times* would testify. Their venture has already cost them about $1½ million and the future of the publication is not at all certain.

Essentially, freedom of the press must mean freedom to print what is desired without

interference. I cannot see that this is affected by the proposal before us. Certainly the freedom to sell Canadian newspapers to non-Canadian owners is interfered with, but this is a very different matter from what we generally understand as being the freedom of the press.

I feel the term "freedom of the press" is much abused. In many cases it merely means that the press is as free as the publisher of the paper wants it to be. In Canada many newspapers are personally controlled by their publishers, and these newspapers do exactly what their publishers want them to do. For example Mr. Bassett, the owner of the Toronto *Telegram,* is quite free to call the present Leader of the Opposition Canada's greatest Prime Minister one year to turn against him the next. He is free to publish the column written by my hon. friend from Port Arthur or to kill it at any time he wishes. The same applies to the contributions by Mr. Lubor Zink. The former publisher of the Ottawa *Citizen* was quite free to let his editorial staff determine the paper's editorial policy; it was rather to the left of centre. But when the new publisher took over he was free to get rid of that editorial staff and establish an editorial policy the effect of which was to make the paper almost an organ of the Liberal party. The former publisher of the Vancouver *Sun* was free to run editorials supporting the Liberal party, but he was also free to suggest to his reporters that they should write stories at election times in favour of Liberal candidates. The publishers of *La Presse* were quick to fire Mr. Pelletier when they did not agree with the editorials he was writing. It is true these are probably bad examples, and I am not suggesting that all Canadian newspapers act in this way.

How free do publishers want to be? They have the freedom to run their papers in any way they please, and the public be damned. This is increasingly true, I suggest, in cities which have only one newspaper, an increasingly common circumstance today.

I object to being presented with this omnibus resolution which includes so many things —income tax reductions for most taxpayers, exemptions dealing with dependants, trade union dues, mineral exploration, important principles dealing with the press, and so on. The opposition is placed in the position of voting either for or against the whole package. This may be smart politics, but it is a poor way of transacting public business.

The proper way to handle this would be to take certain important clauses out of the resolution and allow the committee to debate them separately. The clause dealing with periodicals should be debated separately, and the clause dealing with newspapers should be debated and voted upon separately. I think if given the opportunity to vote on these items separately, members of this party would support the provision suggested by the Minister concerning ownership of Canadian newspapers. However, during such a discussion I believe some members could propose other methods of handling this particular problem.

I am sure the Minister has received a copy of the Winnipeg *Free Press* of yesterday with its editorial, as have other Members of the House. If he thought the hon. Member for Port Arthur was rough with him the other night he should read that issue of the *Free Press,* in which the words "outright falsehood" are used. I do not intend to quote the whole of this editorial, but there is one part of it I should like to draw to the committee's attention:

> Mr. Gordon knows full well that there are a number of practical alternatives to the advertising tax which are equally effective and far less dangerous. One (proposed by F.P. Publications) would involve voluntary renunciation by newspapers of the right to transfer their shares to nonresidents. Another would have Parliament simply declare, by resolution, its intention to prohibit take-overs should they occur. Still another would be to invite the provinces, which have constitutional power over property and civil rights, to introduce their own legislation forbidding foreign ownership of the press.

I am not sure that this would be as effective as the measure which is proposed, but they are certainly alternatives and perhaps these, as well as others which hon. Members might like to propose, could be voted on. We cannot do that as long as we are dealing with this legislation in what I would have to call this rather tricky manner of including everything in the one resolution.

• (3:20 p.m.)

I repeat, Mr. Chairman, that it may be a smart political move, but it is a very poor way to transact public business. The effect of it will only be to make the whole resolution much more difficult of passage. I would like the Minister to bear this in mind, because Members are placed in the position of opposing certain items and supporting others. But we do intend to put up a fight on those items to which we are very strongly opposed.

Mr. MacLean (Queens): Mr. Chairman, I want to take the time of the committee for only a short period in order to make some comments on this resolution which precedes

a bill to amend the Income Tax Act. I do not intend to spread my remarks over all the items in this package of amendments proposed to the Income Tax Act; I shall confine my remarks to two items that are in the resolution.

Prior to doing that I want to express my disappointment with regard to an omission from the resolution. I refer to the failure to relieve from corporation taxes private corporations engaged in the production and distribution of power. I think this is an opportunity the Minister and the Government should have taken, because here in my judgment we have a discriminatory tax. After all, these private corporations operate in a field in which many provincial Crown corporations also operate; they are providing the same service. Although they are not usually in direct competition with each other, they are nevertheless supplying a service to the Canadian people.

The nature of their industry is such that due to the fact that they have no competition in their field, they are a monopoly in the area in which they operate and are therefore controlled by provincial utilities commissions. This produces the result that Canadian citizens in areas served by private corporations supplying the public utilities are subject to a tax to which Canadian citizens in other areas are not subject. This of course creates a situation where there is tremendous pressure on Provincial Governments to take over privately owned public utilities and transfer them into provincially owned Crown corporations. This is a situation that cannot be justified from any purely logical point of view.

I am not one who maintains that public utilities should necessarily be publicly owned. I think there are cases where it is in the general interest that they be publicly owned, but on the other hand I think there are cases where services of this sort can be operated perhaps more efficiently by private industry. The two methods should be judged on their merits; and one method, namely private ownership in this case, should not be burdened with an artificial load which happens to fall on it and its clients because of an anomaly in the income tax structure.

For example, in my own province of Prince Edward Island the power is provided by a privately owned corporation in most cases. This means there are extra taxes going into the federal treasury from Prince Edward Island which are part of the individual citizen's light bill in that area. This would not be the case if it were a provincial Crown corporation. This to me is completely unfair from any logical point of view, and the Minister should have taken the opportunity to correct this anomaly.

I now wish to refer briefly to paragraph 10, in which reference is made to certain items of expenditure that now can be claimed as an expense by taxpayers. I refer to (d) and more particularly to (c), which says:

> That there may be deducted in computing the income of a taxpayer an amount in respect of an outlay or expense made by the taxpayer in the 1965 and subsequent taxation years
>
> (c) for clearing land or laying tile drainage for the purpose of carrying on a farming business,

Subparagraph (b) also provides for such a deduction in respect of landscaping property used by the taxpayer for the purpose of gaining or producing income. I presume that both these things would apply to farms; that is landscaping and clearing land or laying tile drainage. This is a very small step in the right direction, I believe, and I commend the Minister for taking it. I regret, however, that it will have very little application and therefore the beneficial effects flowing from it will be minor indeed; because I think it will apply only in isolated cases. It will only provide an incentive to landscape or clear land where the operation is already a profitable one, sufficiently profitable to be taxable under the Income Tax Act. But the greatest problem, as far as agriculture is concerned, in this field is that many operators do not have an economic unit; it is too small to be economic and therefore is not profitable. It is these people who need most to enlarge their acreage of land under cultivation, and there will be no incentive for them to do so.

I believe, Mr. Chairman, that we should give careful consideration to the importance of keeping our agricultural land in Canada in such condition that it is potentially productive even though it is not in production at the present time. We should keep it in such a state that it can be readily made productive in the very near future. I am convinced that within very few years, probably in this decade, agricultural surpluses will become a thing of the past, and that the full impact of the world population explosion will begin to hit the productive capacity of North America as it has long since hit the productive capacity of more highly populated countries.

I think in this circumstance it is wasteful from a national point of view that large

acreages of our productive agricultural land should be going out of production permanently due to temporary conditions. A great deal of suitable agricultural land is being used up every day for the development of residential and commercial areas, airports and things of that sort. But this is not all. There are vast acreages of good agricultural land in Canada that have been abandoned because the units in which it has been operated up to the present time have not been economic.

• (3:30 p.m.)

In this connection I would refer to the Province of Prince Edward Island. There are vast acreages of farms there which have been abandoned over the years because of the economic conditions in agriculture which have existed over a long period of time. These abandonments have also been caused through the inability of the owners of these farms to acquire the necessary capital and markets to operate them as economic units. I am sure the situation is the same in other parts of Canada.

This is an appalling state of affairs, because this agricultural land is growing up in scrub and bush and becoming almost worthless, producing nothing of value. If it were growing up in valuable timber this would prove a long term asset, but in this case this land grows up in scrub, becoming unsuitable for agricultural use except at great cost for clearing and so on. This situation is more widespread than is generally realized by the public, I think.

In Prince Edward Island agriculture is the main industry, the backbone of our whole economy. Our only other important industries are the fisheries and tourism, but agriculture is far more important than they are, relatively speaking. In this regard I should like to quote from "Land Utilization in Prince Edward Island", which is Geographical Memoir No. 9 published by the Department of Mines and Technical Surveys. The following is a quotation from page 49:

> Between 1911 and 1956 the Island's acreage of improved agricultural land decreased from 769,140 acres to 645,492 acres, or by approximately 16 per cent. Since all but a small proportion of this contraction has occurred since 1931, and as much as 74 per cent between 1941 and 1951, much of the abandoned acreage has had insufficient time to revert to forest growth.

I might say that most of it will never revert to forest growth which will have any value.

I think this provision is a tentative step toward recognizing the need for farmers to be in a position to bring more potentially good agricultural land into production, but it will not touch the heart of the problem. I would most strongly suggest that the Minister point out this question to his colleagues the Minister of Forestry and the Minister of Agriculture, because something much more than this minor assistance must be given before there is any appreciable benefit.

I now wish to turn for a few moments to another item in this omnibus resolution. I refer to paragraph 19, which reads in part as follows:

> In computing income, no deduction shall be made in respect of an otherwise deductible outlay or expense of a taxpayer for advertising space in an issue of a non-Canadian newspaper or periodical dated after December 31, 1965 for an advertisement directed primarily to a market in Canada.

Then it goes on to define what is a Canadian publication and what are the exceptions; and the following paragraphs Canadianize—artificially, I think—*Reader's Digest* and *Time* magazine. I not only object to the detail of the matter; I object most strenuously to this approach to the problem. It is dangerous when a government takes the attitude that it can judge which freedoms can be encroached upon with impunity, especially in view of the necessity for the complete freedom of the press. By that I do not mean licence, but the complete freedom of the press to criticize, and to criticize especially actions of governments where the press think it is suitable to do so. This is something which should not be tampered with in any way either directly or indirectly.

In his remarks the other evening the Minister expressed the opinion that no strong opposition had been taken to his measure by the Canadian press. To refute this, Mr. Chairman, I would merely quote from an editorial which appeared in yesterday's Toronto *Telegram* which I think summed it up well. It says in part:

> The Canadian Daily Newspaper Publishers Association unanimously passed a resolution condemning the Gordon proposal and sent a delegate to Prime Minister Pearson urging the abandonment of this legislation.
>
> Freedom of the press is at stake in this issue, in spite of Mr. Gordon's protestations to the contrary. It always has been.
>
> The whole principle of protecting Canadian publications—periodical or daily—through legislative manipulation is odious. It touches the question of press independence, one of the pillars of a free society.

I agree wholeheartedly with this point of view. I object to the other items and details contained in the proposal, but I object most strongly of all to this particular principle. Therefore I would strongly urge the Minister

to seriously consider dropping this item from the resolution. For my part I must say that I am in favour of the first part of it, which provides for reduced taxes for many individuals; but the odious part of this resolution cannot be forced down my throat by putting it into a package like this. If this item remains in the resolution, then I cannot support the resolution, despite the fact, as I say, that it contains a good many items of which I approve.

[*Translation*]

Mr. Caouette: Mr. Chairman, my comments concerning the proposed amendment to the Income Tax Act will be rather short.

A while ago we had the opportunity of saying a few words on this, and I do not intend to repeat what was said then. On the other hand, I find it odd that the Minister of Finance (Mr. Gordon), who introduces these amendments, did not take into account our representations when the resolution was before us for the first time.

For instance, last year difficulties were encountered with regard to receipts for charitable donations throughout the province of Quebec and Canada. Income tax inspectors burst into rectories and called on clergymen to enquire about the accuracy of charitable donations receipts. Please note that according to the act, a Canadian citizen has the right to deduct up to a maximum of 10 per cent for charitable donations. And yet the department does not accept from a taxpayer receipts not exceeding 10 per cent of his income.

Last year these receipts were reduced to their simplest expression, namely $100, amount which any Canadian taxpayer has the right to claim without producing receipts. Someone produced receipts totalling $500 and it was reduced by $400 to $100.

This year, instead of changing the situation, a basic deduction of 10 per cent is proposed. This is an amendment which will help those having a high income but Canadian workers will gain no advantage on the whole. I ask the Minister of Finance this: instead of providing that charitable donations may be deducted up to a maximum of 10 per cent, thus leading the taxpayer to believe that he is entitled to deduct the maximum of 10 per cent of his income, why not reduce the rate to 6 per cent and tell him that he may deduct this amount without having to produce receipts?

[Mr. MacLean (Queens).]

• (3:40 p.m.)

[*English*]

Mr. Gordon: Mr. Chairman, the hon. gentleman has asked me a question which to my knowledge has nothing to do with any of the items in this resolution. Perhaps it would be more appropriate to ask that question of the Minister of National Revenue, who is responsible for the administration of the Income Tax Act.

Mr. Caouette: I knew that was coming; nevertheless, these are amendments to the Income Tax Act, and when I am dealing with the Income Tax Act I believe I am in order.

Mr. Knowles: The Minister of National Revenue never makes amendments to the Income Tax Act.

Mr. Gordon: But he is responsible for its administration.

Mr. Caouette: Surely we can discuss the whole thing. The Minister is in the potato field, anyway.

[*Translation*]

Mr. Chairman, we are dealing with the Income Tax Act and, as was pointed out by the hon. member for Medicine Hat (Mr. Olson) and the hon. member for Winnipeg North Centre (Mr. Knowles), only the Minister of Finance is empowered to amend this act. When we discuss it, the Minister tells us that to speak about the income tax is to go beyond the scope of those items.

Mr. Chairman, section 1 introduces an amendment providing that for the 1966 and subsequent taxation years the income tax payable by an individual be reduced by an amount equal to the lesser of 10 per cent of basic tax or $600 and for the 1965 taxation year by an amount equal to the lesser of 5 per cent of basic tax or $300.

I said a while go that the minister was not helping the Canadian workers with this 10 per cent reduction of the basic tax. If the Minister of Finance had, for example, moved an amendment providing that incomes less than $5,000 for married persons and $2,500 for single persons would be exempted from income tax, then he would have helped all Canadian workers.

I would like to point out that under this new legislation, those earning high salaries will profit more from it, but low income groups will not profit from it at all. The federal members of Parliament will profit from this legislation, since our taxable income will be reduced by 10 per cent, out of

our income of $12,000 per year and we will thus save about $350 or $375 per year on income tax. But our fellow citizens, our electors in our respective ridings, will get hardly anything out of it.

Mr. Chairman, there is something else. The Minister of Finance should have added another amendment to that act to allow workers, for instance, to deduct from their income the cost of the tools they need to work and do their job.

If a lawyer buys something for his office, furniture, for instance, his bookkeeper deducts the cost of it from his income tax. If a doctor buys some equipment, scalpels or something else, he is allowed to deduct the cost from his income; he can get an income tax deduction for those amounts. As the owner of a garage, if I buy equipment for it, I can deduct it from my income.

But the worker who has to buy for $800, $900, $1,500, or $2,000 of equipment, the carpenters, the mechanics, those people are not entitled to deduct from their income the cost of the tools which they need to do their job.

Why did the Minister of Finance not take into account our suggestions, while preparing those amendments to the Income Tax Act. Had he done so, he would have helped, thousands of Canadian workers.

In conclusion, I shall say—I have often said it before I repeat again—that the legislation introduced by the Minister of Finance allows the rich to grow richer, though fewer and the poor to grow poorer and to multiply. It seems that the government and its ministers always come up with this kind of legislation.

Therefore, I suggest to the Minister of Finance to consider seriously the possibility of stabilizing, for instance, the percentage in respect of receipts for charitable donations. The basic exemption should be increased to $5,000 for married men and $2,500 for single persons. This would permit those in the lower income brackets to enjoy some advantages and workers should be allowed to deduct from their income amounts spent for purchasing the tools they need to work at their trades. Then, they would not have to pay heavy taxes on the equipment they need to do their work.

Mr. Chairman, there are several other important points besides those I have mentioned. There is for instance the provision under which a nephew, a niece or another dependant may finally be recognized as human beings. We approve the good points of this measure.

We also approve the 10 per cent income tax reduction, but we think it does not help sufficiently the small wage earner, the farmer or the worker.

We agree with the good things contained in these amendments, but we find that the government is, once again, rather mean as far as a great number of Canadian workers are concerned. We would like the government and the minister of Finance to be more generous and fair for those who need it most, that is the Canadian worker, the Canadian farmer, in short, the people of Canada.

[*English*]

Mr. Churchill: Mr. Chairman, I enter this debate because of the importance of the resolution, particularly paragraph 19 with which I want to deal in detail. I do so also because at the resolution stage hon. Members are provided the opportunity of pointing out deficiencies in proposed legislation, and the Government is provided with an opportunity to reconsider and withdraw or modify the bill which follows the resolution.

• (3:50 p.m.)

It may be that the bill is printed and ready. Nevertheless, if the Minister of Finance will heed those Members of the House who have spoken and accept their advice he may be saved from error in the future, though I doubt very much that this particular Minister can be saved from making mistakes. But at the resolution stage an opportunity is presented to make suggestions, and on the basis of those suggestions the Minister can then redraft his bill, if that is necessary, or modify it by withdrawing the offending section entirely.

I have another reason for speaking today on this particular matter. The proposed change in the Income Tax Act as envisaged in section 19 of the resolution is, as has been pointed out by others, the beginning of an attack on the freedom of the press. The Minister cannot brush this aside by any casual statement such as he gave us on Tuesday. He cannot convince us, and I do not think he can convince the Canadian people, that this Liberal Government, as he said in the course of his remarks, "would never contemplate any measure which could seriously be construed as interfering with the freedom of the press". We do not have that confidence in this Government; and any confidence the people of Canada had in the Government two years ago has been dissipated over the course of the period since then.

The reason that confidence has been dissipated is the lack of information supplied to

the House of Commons from day to day. As long ago as October, 1963 the hon. Member for Kootenay West used these words, as found on page 3887 of *Hansard*:

> Regardless of our differences, it has always been the practice of this House and in the country to respect the word of a member of the Cabinet. When we can no longer respect the word of a member of the cabinet, democracy in this country is on the downhill grade.

Those are very serious words from a senior and highly respected Member of this chamber. As long ago as October, 1963 the hon. Member for Kootenay West cast doubt upon the type of information that was being supplied at that time by the Government. We have had example after example over the intervening months. I have said in the House before that I can no longer rely on the word of the Prime Minister, which is a very serious matter indeed. I doubt very much that I can rely any longer on the word of the Minister of Finance, as I will point out in a minute or two.

One of my reasons for losing confidence in the Prime Minister emerged last year during the course of the flag debate, when on three different occasions he stated in the House that "none of us saw a Canadian red ensign in those years", referring to the first world war. That statement was refuted by our late friend Hon. George Nowlan and by myself, both of us having served in France during that period. But despite that denial by serving soldiers who had been there and who saw that Canadian flag, the Prime Minister repeated that statement in the House, on three occasions although he himself, of course, was not present in France. That is one of the reasons I cannot place any confidence in statements made by the Prime Minister.

We are accustomed to evasion time after time in the House when we ask questions. We are subjected to evasion on the part of the Secretary of State for External Affairs—I am sorry he is not here—who on six or seven different occasions has evaded the question when I have asked him what the Government is doing about its promise to negotiate out of the use of nuclear arms. He has engaged in evasion instead of simply saying no, we have not done anything about it, which would be the truthful answer.

I get evasive answers from the Minister of National Defence. Only last week I inquired whether our Voodoo planes in Canada are equipped with nuclear missiles. His answer was that they are fully operational, which was an evasion of the question, instead of saying either yes or no. Today we had an example in the case of the Minister of Labour. So it goes down the line.

But the situation has become very serious with regard to the Minister of Finance. He has been attacked by very prominent Canadian newspapers, and I think he must make a statement to the House with regard to these attacks. He has been accused in words that we are not allowed to use in the House. He has been accused of falsehood. His statements are called untrue, and these accusations are broadcast throughout the country. When newspapers of the standing of the *Globe and Mail* and the Winnipeg *Free Press* make such accusations against a Minister of the Crown the situation becomes extraordinarily serious. These are not accusations such as are sometimes made in the heat of debate in this chamber, but are accusations made by responsible newspapers. What answer is the Minister going to give to these accusations? In an editorial in the *Globe and Mail* of June 16 these words appear:

> Finance Minister Walter Gordon suffers either from a bad memory inexcusable in a Minister of the Crown, or he is tampering with the truth.

What stronger statement could be made? There is a stronger statement in the editorial, which quotes these words from the speech of the Minister on June 14, as found on page 2386 of *Hansard*:

> —this had not aroused opposition or suggestions that it posed a threat to the freedom of the press when it was to be applied to periodicals. It has been surprising, therefore, that this charge should be raised when the same principle is now to be applied to newspapers. It is difficult to accept the fact that a principle can be right and good, and widely accepted as such, when applied to one field of communications but not when it is applied to another.

What does the *Globe and Mail* say? These are the words of the *Globe and Mail* of June 16:

> Mr. Gordon's statement is false.

I say, Mr. Chairman, that this is indeed very serious. What is the Minister of Finance going to do? The people of Canada have read that statement in the *Globe and Mail*. Are they going to place any further reliance on statements made by the Minister of Finance? The editorial in the *Globe and Mail* goes on to point out that that newspaper had expressed opposition to the proposals time after time, going back to the proposals with regard to periodicals in 1961. Yet the Minister says that it has not aroused opposition, or sugges-

tions that it poses a threat to the freedom of the press.

• (4:00 p.m.)

I do not know how he describes opposition to his proposals. If we say they are wrong, is that not opposition to his proposals? If the newspapers say they are wrong and that other things should be tried, is that not opposition to his proposals? Yet he has the audacity to stand up in this Chamber and say this has not aroused opposition, or suggestions that it poses a threat to the freedom of the press.

Two days ago when the Leader of the Opposition was speaking he drew attention to opposition expressed by the Winnipeg *Free Press,* which dealt with a resolution passed by the Canadian Daily Newspapers Publishers Association, and quoted from the Winnipeg *Free Press* as follows:

> They could lay open the way for some future and less scrupulous government to use them as a method of punishing or bestowing favours on Canadian newspapers.

Then he quoted further, as recorded at page 2424 of *Hansard for* June 15:

> Whether by design or through sheer clumsiness, what the Minister proposes would give this and all future governments the power to interfere with the right of all Canadians to read what they choose.

That is opposition to the Minister's proposals. The Leader of the Opposition expressed opposition to them but there has been no substantial reply, if any, from the Government side. As recorded at page 2427 of *Hansard* the Leader of the Opposition stated:

> The freedom of the press in a society of free men depends upon commercial freedom of the press, freedom from direct or indirect government subsidies or other form of control. The irony of the present situation is that the Government purports to assist the press by making it impossible for ouside competitors to compete. The fact is that these budgetary proposals will bring about a degree of government control not known in this country, and not known in any country today which has inherited the British tradition of freedom.

There could be no more complete description of what is contained in the Minister's proposals, and surely that is opposition to his suggestions.

The most serious attacks on the Minister's proposals have come from the Winnipeg *Free Press.* That is not a Tory paper. It is not a supporter of mine, as I have well known all these years. I enjoyed the experience of getting a small but complimentary editorial comment in the Winnipeg *Free Press* 14 years ago when I entered this House and made my maiden speech—

Mr. Knowles: The hon. Member and I have this in common.

Mr. Churchill: —and that was the end of our friendly relations. Nevertheless I have respect for many of the men who report for the Winnipeg *Free Press,* and sometimes its editorials are worth reading with considerable care. The one it published on June 16 deserves the most careful scrutiny. I expect that editorial will be widely quoted by other papers across the country. It makes the strongest attack yet on the Minister of Finance; and under these circumstances, with other papers attacking him and accusing him of misleading the House of Commons and the public, there is only one reasonable recourse for him. The Winnipeg *Free Press* has this to say:

> Mr. Walter Gordon's defence in the Commons Monday evening of the Government's legislation to prevent foreign take-overs of Canadian publications is a mixture of weak arguments and outright falsehoods.

These are not my words. These are the words of the Winnipeg *Free Press*—"outright falsehoods." We are entitled to the truth from the treasury benches. How can you carry on democratic government if you cannot get the facts and the truth, if you are to receive evasions to questions and, in the words of the Winnipeg *Free Press,* "outright falsehoods"? This reminds us of Goebbels at the time of the Second World War and prior to it; the falsehood repeated over and over again.

The Acting Chairman (Mr. Cameron, High Park): Order. May I suggest to the hon. Member that he is trying to do indirectly what he has no right to do directly.

Mr. Churchill: I thank you for your direction and advice, Mr. Chairman, but I am dealing with a very serious matter here. The Minister has introduced a section in his resolution to amend the Income Tax Act which strikes at the freedom of the press, and he has stated in the House that what he is doing does not strike at the freedom of the press, that no objections have been made, that his proposal asserts no control whatever over newspapers and other publications, that it provides no precedent for any kind of government interference with complete freedom of the press, that no practical alternative has been found despite careful thought and much discussion with the people concerned, and so on.

The Acting Chairman (Mr. Cameron, High Park): May I direct the hon. gentleman's attention to Beauchesne, citation 157(5):

It is not in order to read articles in newspapers, letters or communications emanating from persons outside the House and referring to, or commenting on, or denying anything said by a member or expressing any opinion reflecting on proceedings within the House.

I suggest to the hon. Member that probably on reflection he will do directly what he is now trying to do indirectly; then I will be able to try to rule on what he is doing.

Mr. Churchill: Mr. Chairman, you are not suggesting that I do not accept these statements? Unintentionally I think you are leaving an innuendo that I do not believe these statements are accurate. I am inclined to believe they are accurate, and I certainly will accept them for accuracy; because it is a simple matter dealing with the false statements that the Minister made in the House, and shows the inaccuracy of the Minister.

I think I am within my rights to draw attention to the fact that the editorial in the Winnipeg *Free Press* of June 16 condemns the Minister of Finance in the strongest terms for misleading statements which it calls "outright falsehoods." That is a term I cannot use here, but I am quoting from what the paper says. Surely the Minister should be able to deal with this, and I hope he will before the debate is concluded.

We are aware that a great many newspapers have opposed the suggestions put forward by the Minister. That is common knowledge, and we have opposed them too. As recorded at page 2386 of *Hansard* for June 14 the Minister stated:

The Government proposal asserts no control whatever over newspapers or other publications.

This has already been drawn to the attention of the Chamber by hon. Members who preceded me. I am quite prepared to accept the statement of the Winnipeg *Free Press*, and I will accept its words:

• (4:10 p.m.)

This is the exact opposite of the truth. The Government's proposal asserts, for the first time, the Government's right to impose discriminatory taxation on advertising by defining who shall and who shall not be entitled to tax exemption.

This is what is contained in the Government's proposal. The Minister went on to say, as reported at page 2386 that it "provides no precedent for any kind of Government interference in the complete freedom of the press". I am prepared to accept the statement made by the Winnipeg *Free Press* in respect of this matter—"Again a complete falsehood". And those are not my words; they are the words of the Winnipeg *Free Press*.

[The Acting Chairman (Mr. Cameron, High Park).]

The legislation does set a precedent, and a most dangerous precedent at that. Having asserted for the first time a Government's right to tax advertising on a basis of ownership there is nothing to prevent extension on other bases.

That is a statement which I accept as a reply to the Minister's earlier statement. Then the hon. gentleman went on to say—and again his words may be found in *Hansard*—that no practical alternative had been found despite careful thought and much discussion with the people concerned. Well, alternatives were suggested. The Winnipeg *Free Press* put forward quite a number before this resolution came before us for debate.

I can mention three which have been drawn to my attention. It was suggested that the Government might urge all newspapers to voluntarily forfeit the right to their own alienation through the sale of their voting stock. That was one suggestion. Another suggestion was that the Government might declare any foreign purchase of a Canadian newspaper to be null and void. The *Free Press* made a further suggestion. It said if the Government were to introduce a formal resolution in Parliament to the effect that in no circumstances would the alienation of Canadian newspapers be allowed, and that if necessary retroactive legislation would be passed to deal with such a situation, such a resolution would receive unanimous or virtually unanimous approval. Then, trying to win the attention of the Prime Minister, the paper suggested that if the Prime Minister would proclaim in the name of Parliament and the whole of the Canadian nation a solemn embargo on the foreign control of communications media, all foreigners would understand.

These are alternatives which have been suggested, but the Minister brushed them all aside and said that no practical alternative had been found. I think these are practical alternatives. The Minister himself gave us an example, reference to which will be found on page 2386. He was very proud of the announcement he made last September the effect of which was retroactive to the time of the earlier statement he made in September of 1964, with regard to the acquisition of any of our chartered banks by people not resident in Canada.

There are two points at issue here. One is the maintenance of the freedom of the press, which is just as important to the Canadian people as is the maintenance of freedom of speech in this Chamber. We feel this proposal would be an encroachment on the freedom of the press. It is our duty to protect the

Canadian people against any such encroachment. We are not satisfied with assurances that this particular government would, of course, not do anything which might interfere with press freedom, an expression merely of good intentions on the part of this administration.

I mentioned earlier in my remarks that there is no longer any confidence in this House or throughout Canada with regard to the good intentions of this Government. There is too much evasion, too much withholding of information, and a regrettable lack of frankness in this Chamber. Here is the culminating point. We find the Minister of Finance accused by leading newspapers in this country of not telling the facts, of not giving the truth. They use the word "falsehood" with regard to his statements.

This, I say, is a most serious thing. It is one of the most serious things which have occurred in the last two years and which have come to our attention. The Minister of Finance, one of the most powerful figures in the Cabinet, close adviser to the Prime Minister, is accused by leading newspapers in this country of falsifying the record. I think there is only one course open to that Minister, and that is for him to submit his resignation.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: There is little I can add to what has been said by my hon. friend from Winnipeg South Centre. However, while I have been sitting here my mail came in and it does carry strong support for the views expressed a moment ago by my hon. friend.

This Government has made the telling of partial truths the cornerstone of Government policy. We have had example after example, particularly in the last few months, of Ministers giving us but part of the truth. We had an example this afternoon from the Minister of Labour. I do not understand it. I cannot conceive that giving answers which are not truthful is any mark of forensic capacity or of ministerial responsibility in this Chamber.

We had an example a couple of weeks ago in connection with the action being taken by the Government to bring in a new social security card. I had certain information. I brought it before the House. It had to do with the removal of the coat of arms of Canada from the card and the substitution of a single maple leaf. The answer I received was evasive. The information I had was that objection was being raised in parts of Canada to having a coat of arms because it had the crown and the union jack on it. I had that direct information, because I do not ask questions in the House of Commons unless I have reasonable ground for knowing what the answer will be.

But they do not learn over there. When I have asked questions and those questions have been evaded, it has not been very long before the truth has come out showing that the questions were well based. But they cannot learn. One does not expect some of the Parliamentary Secretaries to learn; that would be expecting too much. But I knew this was a fact. The answer was evasive. First the Minister of Labour said, in effect, "There is nothing to it". Well, they have come out with it now. They had to admit it.

• (4:20 p.m.)

Now that card bears the strongest possible resemblance to the membership card of the Liberal Party organization in Canada. The removal of the coat of arms and the substitution therefor of the maple leaf produces a card that bears a striking resemblance to that denoting membership in the Liberal Party.

The point I make is this. This Government does not give Parliament the facts. The Prime Minister—and I am not going to deal with him in his absence; I have dealt with him in his presence on this—told Parliament last November that he had no information regarding the connection of an executive assistant with alleged bribery. He maintained that position until after a period of weeks, knowing that it would be revealed in the crime report, he finally remembered that he had been told.

A selective memory is not conducive to sound Parliamentary procedure. Indeed, if one looks at the British system, Profumo was not removed for his extramarital activities; he was removed because he deceived Parliament. Over and over again this Government has shown a propensity for deception in answers.

The Minister said the other day there had been no complaints offered about the press legislation. I am not going to quote from any editorial but, Sir, if you are looking for reading in your spare time, read the condemnation of the Government in the editorial entitled "Weak Case" referred to by my hon. friend from Winnipeg South Centre. I have never been one to complain about criticism. That is not criticism; that is condemnation of evasion of Parliament. One paper after another is taking the same course.

It is obvious, Sir, that in the past few years deception and maliciously false propaganda have become a course of action followed by the Liberal Party. They did it in 1962; they did it in 1963. I could go over the record of the things they condemned and said were wrong. They follow today the courses that we followed. Now they have become right. Mr. Chairman, deception, delusion and outright falsehood can never be tolerated in a democracy.

It is said that there is no foundation for fear about this measure. The full story of Parliament and what happens here is not getting out to the people. I have referred to the C.B.C. and to the fact that after discussions in Parliament there are always commentators able to smooth over the problems and wipe out the inferences. There will be nothing in the news about this. It would not be helpful to the Government if it got out that once again Parliament had been fooled. I use that expression advisedly. Cover up, conceal, attack, assassinate character, endeavour to destroy your political opponents by falsehood that you know is false.

Mr. Byrne: That is what you are doing.

Mr. Diefenbaker: This has become the cornerstone of Liberalism in Canada.

Mr. Clancy: It always has been.

Mr. Diefenbaker: It did not take place in the days of Laurier and King, but it does today. I say to the Minister of Finance: You had a lot to do with the falsehood of the campaigns of 1962 and 1963. Indeed, you were the planner, I am told.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I am also told the Minister of Finance was the father of the truth squad, although he has never admitted paternity. But I have information, he might be surprised to learn, on that and it makes him the one who said "If we follow this course we can destroy the Leader of the Conservative Party". And he today finds himself in a position—

Mr. Byrne: You are destroying yourself.

Mr. Diefenbaker: —where he has placed before Parliament legislation that gives him the right to control. He may not exercise it today. Is he exercising it? Well, I do not know anything about this paper; it came to me a few moments ago. I have before me the Muskoka *News* of June 16. It is 10 cents a copy and it is published at Gravenhurst, Ontario. I do not know the publisher; I do not know the paper. It says it has a fairly large circulation. This is what it says:

Ottawa Gestapo Tries to Silence Free Press

Gravenhurst—Without warning the "Gestapo" branch of the Department of National Revenue seized the advertising income of the Muskoka *News* in reprisal for articles published in this paper critical of the Liberal government in Ottawa.

Some hon. Members: Shame.

Mr. Diefenbaker: That was yesterday. It came to me while the hon. gentleman who preceded me was speaking. Then it says this:

The Muskoka *News* payday is on Wednesday.

Then it says:

Garnishee proceedings were instituted against the free press without a warning to the publisher who, if advised in time, could have taken appropriate action. Like a thief in the night, our government forces have invaded the freedom of the press and set it back 50 years...to the time when governments told editors what they must not print about scandals in public affairs.

That is yesterday's paper, as I say.

Mr. Bigg: Freedom of the press.

Mr. Diefenbaker: What further evidence do you need to support the contention that what this Government has tried to do, is bring about thought control in Canada, destroy political opponents, malign them by means of mercenary publicists who peer in keyholes or invent in the darkness of their offices. Isn't it a strange thing that this has all developed within the last two, three or four years?

I have never complained but, Sir, the libels that have been published have been inspired. What a Government. Why, only the other day it was shown that even the Civil Service within the departments cannot recognize their Ministers. It indicates how things are going. An Order for Return was brought in and was found by the *Hansard* office to come from the Department of Public Works, in the name of "Honourable Lucien Rivard". Just imagine; this went through the Civil Service. It must have gone through the Minister. This shows the tremendous impact the Minister of Public Works has made on his own Department; or else it reveals the fact that Mr. Rivard enjoys a position of responsibility akin to that of a Minister of the Crown. Imagine the alertness shown by the *Hansard* people. We have not yet had an explanation from the Minister of Public Works, and I should like to hear from him what happened. What would hon. gentlemen

opposite have said when we were in office if one of the greatest thugs engaged in narcotics distribution had been so signally honoured as to have been raised by the Department of Public Works to the status of minister on a document of Parliament, elevated to the Privy Council, indeed the Cabinet itself?

• (4:30 p.m.)

Now, Sir, what is the reaction to this legislation? I know the Government has tried to tell us that this is the same legislation as that which was recommended by the O'Leary Commission. It is nothing of the kind. The O'Leary Commission made no recommendations about newspapers. It endeavoured to preserve Canada's periodicals against unjust competition by *Time* and *Reader's Digest* and other United States magazines which have masqueraded as Canadian, establishing themselves in Canada in a preferred position to Canadian magazines endeavouring to retain a Canadian identity.

I speak of *Maclean's* magazine, *Chatelaine* and the like. We wanted to see something which was Canadian preserved so that Canadian opinion would be available. We said if these people can come into Canada from the United States with what I call ready print or ready prepared editorial content or other content against which Canadian magazines cannot compete, then this matter is far removed from the question of newspapers. This was at the request of Canadian periodical publishers, it being the only course for their preservation as national entities within Canada.

Who asked for the present legislation? Nobody. Why do the Government want it? They must have a reason. They published tremendous advertisements in the press during the last few days giving the detail of the redistribution of seats in the provinces as an attempted sop to the great newspapers of Canada. After all, they said, here is a quarter of a million we will let you have. They thought they could buy silence with that.

What is going to be the reaction to this legislation in other parts of the world? We have already had one reaction from the International Press Institute meeting in London. Sean MacBride, Secretary General of the International Commission of World Jurists, quoted Article 19 of the Universal Declaration of Human Rights, as proclaimed by the United Nations, in a speech he made within the last week. That declaration says:

> Everyone has the right to freedom of opinion and expression. This right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers.

This is the most important right guaranteed to human beings, and, as he said in his speech, it must be preserved.

What is behind this, Mr. Chairman? I have seen this Government throttling opinion, pressuring people by the subtleties of modern propaganda, covering up facts relating to matters before Parliament. It is the strangest thing today, but a matter is reported on one page of a newspaper, and anything difficult or embarrassing to the Government is then explained away by commentators. With this sort of governmental control, where will freedom be?

Who asked for this legislation? We would like to know if the Minister would tell us. Did it have the same paternity as the truth squad? Did it have the same paternity as the campaign which has been waged across this country? I dislike mentioning myself personally, but it is a campaign designed to destroy, to assassinate. Indeed, the Prime Minister said "I do not think we need to worry about 'him' any more" in the speech he made in Toronto in September, 1962.

Who asked for this? Whose brainchild is this political abortion? What is behind it? The Minister has but to read the press comment across Canada to discover that they are not asking for it. Since I came into the House today a number of telegrams have come to me. One of them is from Mr. I. H. MacDonald, Deputy Chairman of Thomson Newspapers, dealing with these proposals in detail. Immediately it will be said "Oh, he is one we are getting after". Is that the reason for this legislation, because some of the Thomson newspapers have not bent the knee at will? Mr. MacDonald says in his telegram:

> Canada's image abroad can be seriously impaired by impetuous action on press restrictions.

It then goes on to deal with the speech made by Mr. MacBride, to which I have referred. Mr. T. L. Wilson, publisher of the Oshawa *Times*, who is one of the great publishers of our country, says:

> We of the *Times* of Oshawa are deeply concerned that the Government would even consider placing on the statutes any motion that interferes with the free flow of advertising in publications whether wholly owned by Canadians or otherwise. We must therefore register our strongest opposition to the bill now under discussion.

That was dated 1.58 p.m. today. The next one is from the publisher of the *Daily Standard-Freeholder* of Cornwall. Are these men who are not entitled to consideration? The Minister laughs, but what does Mr. Robertson, the publisher, say? He says:

> Proposed legislation restricting newspaper ownership serious blow to freedom of the press and inherent right of Canadians to be informed by press free of Governmental control. Implications of legislation and possible abuses threaten this democratic right. Am gravely concerned and oppose contemplated legislation. Reconsideration urgent.

Then I read from the telegram sent by Dick Malone, general manager of Free Press Publications:

> Before final decisions taken on projected press legislation I wish to register on behalf of our newspaper group our strongest possible protest against this discriminatory taxation measure which would threaten press freedom in Canada.

• (4:40 p.m.)

Are these men mad? Have they no common sense? Are they to be brushed aside? Is that the Government's view?

This afternoon one of the hon. Members from Vancouver mentioned that this resolution should be divided up, but we want an opportunity to oppose it and oppose it strongly. As the hon. Member for Queens has said, they have wrapped this up in one parcel and you either take all or take nothing; you take the things that are beneficial with the things which cannot be condoned. Should we divide this up? Let us go further than that; let us remove it, or let the Government drop it.

What will be the situation all over the world if this type of stand is taken? Let the Minister take the trouble to find out the ownership of some of the papers around the world and he will find that many of them are owned elsewhere. In Hong Kong the *South China Post* is British; in Okinawa the *Morning Star* is American; in the Philippines the Manila *Bulletin* is Swiss and the *Evening News* is American; in Thailand the Bangkok *Post* is Canadian and the *Sienyitpo* is Chinese; in Malaysia the *Strait Times* is British and *Sinchew Jitpo* is Chinese; in Kenya the ownership is Indian and British; in India the Calcutta *Statesman* is British; in Lagos the *Sunday Graphic* and the *Sunday Mirror* are both British.

What is the situation in Europe? The New York *Herald Tribune*, Paris edition, is American and the New York *Times*, Paris edition, is American. The Rome *American* is American and the *Scandinavian Times* is American, and the *Weekly Tribune*, Geneva, is American.

No one has ever said that the ownership of these papers circulated abroad is undermining the thinking of the people of those countries. I would have more to say about this but I am anxiously awaiting the Minister's reply, because no one could possibly sit silent in the face of the press references to the Minister's action.

I said earlier that the Minister had said that the O'Leary Commission report recommends some measures for imposing Canadian control on periodicals. The Winnipeg *Free Press* answers that suggestion by saying:

> Mr. Gordon is comparing apples with oranges. The O'Leary Commission was concerned with magazines, not newspapers; its dubious recommendations were aimed at channelling advertising from foreign owned (mainly *Reader's Digest* and *Time*) periodicals to domestic ones. Since no Canadian magazines were threatened by foreign take-overs, the matter of ownership was of little or no concern to the commission; the question of ownership of newspapers was not even touched upon.

Where did this idea come from and who produced it? Is this part of Mr. Kent's philosophy which he enunciated in September of 1960, that advertising was dangerous and that if manufacturers could not advertise then people would not buy things they did not need? After all, bureaucratic men know what is good for Canadians and do not think Canadians have the capacity of being able to decide what is good for themselves.

The Winnipeg *Free Press* says the Minister made the statement that the Government's proposal asserts no control whatever over newspapers or other publications. The answer in the Winnipeg *Free Press* is:

> This is the exact opposite of the truth. The government's proposal asserts, for the first time, the government's right to impose discriminatory taxation on advertising by defining who shall and who shall not be entitled to tax exemption. Advertising revenue is the lifeblood—the principal source of revenue—of any publication and the power to tax it is the power to control the press.

This article deals also with the question of there being no precedent for any kind of Government interference, and I am sure the Minister has read this. The Minister represents many of the great industrialists in Canada who look up to him as the apostolic successor to Keynes, another economist, and the other day he said that some wealthy business financiers objected to the tax because they secretly wanted to expand into other countries and were afraid that foreign governments might retaliate. I ask him now to tell us who are these mysterious businessmen; who are these nefarious wealthy financiers? Has the Minister not already been

advised that retaliation will be in order and that this is a contravention of the provisions of GATT? I think about two years ago Mr. Dillon, the Secretary to the Treasury of the United States, took a strong stand in this regard; and did not the Government at that time make one of its frequent retreats in the face of what was said?

Finally, this article says the Minister stated:

"I cannot believe—any Canadian government at any time would ever contemplate any measure which could seriously be construed as interfering with freedom of the press. I know that no Liberal government would ever think of doing so—"

I believe that of the Liberalism of the Laurier and King governments, but not of the Liberalism of today. The Minister was speaking of the past. That statement is answered by the *Free Press* in this way:

The fact, of course, is that a Liberal government has not only contemplated a law interfering with press freedom, it has introduced one—and in a particularly vicious and dangerous form.

Surely these responsible newspapers are not taking a stand based on personal considerations, and there can be no such suggestion. This goes beyond that, and that is why I come back to the request to the Minister that he drop this proposal. No good can come of it, and the dangers have been pointed out. The press of this country, with two exceptions, say this is wrong. Will the Minister even now not give what might be called a pause, because it is a pause that refreshes, as has been suggested by the Government in another connection? Let us drop this matter.

• (4:50 p.m.)

If he will not do that, will he put it in cold storage, set it aside and let a committee of Parliament consider the matter, thus giving an opportunity to the press of Canada and to all who love freedom in this country to place their considered views before that committee? The Minister turns his back on all arguments that are advanced, smiles with that enigmatic smile for which he is famous, and deals with all criticism by pretending that he is not the kind of person who would undermine freedom. Mr. Chairman, everybody in history who has ever undermined freedom has always protested his love for freedom while at the same time doing his best to destroy it.

The one question the Minister must answer is, who is the father of this proposal? Who suggested it? What organization across Canada in the newspaper world asked the Minister to protect them? He has not been able to answer that question. If he could he no doubt would clear away a great deal, because we would get the truth and if we got the truth in that connection, out the window would go the bill.

Mr. Saltsman: Mr. Chairman, my colleagues have informed me that I did not have to give way to the Leader of the Opposition. I wish I had known that. I would have argued for the opportunity to speak before him, because his is quite an act to follow. However, I have only a few words to say with regard to section 19 of the resolution. I intend to be brief and concise in my objections to the section as it now stands.

Let me say first of all that I have a fair amount of sympathy with the Minister of Finance, his desire for Canadian objectives and his concern about Canadian nationalism. I think that desire is shared by very many people on this side of the House. However, I disagree considerably with the Minister both with regard to his diagnosis of the problem and the solution he proposes, and I resent the way the Government is bringing in this measure.

The Government is being very brave with Canadians and Canadian newspapers in particular. I do not see the Government being nearly as brave in bringing about Canadian ownership of some of the industries of this country which are dominated by foreign interests. I think the Government could very well have shown its bravery, its desire for Canadian nationalism and its recognition of the need for greater Canadian ownership of our industries by approaching the matter from that end.

I find it very difficult indeed to see how the Government can justify the measures it is proposing and the arguments it has made. Its worries in connection with the ownership of Canadian newspapers exclude *Time* and *Reader's Digest*. I believe we have in these two magazines a domination of the Canadian mind through a pervasive pattern such as would never exist even if every one of our newspapers was owned by foreign interests. I think any measure that excludes *Time* and *Reader's Digest* cannot be anything but an ineffectual device.

It makes no sense whatsoever to me to exclude *Time* and *Reader's Digest* and at the same time say we must be concerned about Canadian ownership. I see the Minister is smiling. I know he has heard this before and I am sure he is not smiling unkindly, but simply because he is saying to himself that this is the same old song he has already heard yesterday and today. However, this

matter is important, and unless the Minister is willing to recognize the significance of what he is doing in this respect the entire legislation is meaningless. Certainly it is meaningless in terms of Canadian nationalism or in terms of there being some merit in having our Canadian newspapers owned in Canada.

I should like to refer to the editorial in the Winnipeg *Free Press*. Like every other Member of the House I too was lobbied, but I do not think one can say that freedom of the press is the issue in this particular debate. The issue is not freedom of the press, but whether Canadian nationalism and Canadian objectives are going to be best served by the kind of proposal the Minister has introduced. I should like to read from this editorial because it makes some sense:

> No one, least of all the newspapers of Canada, quarrels with the Government's objective of assuring a press which is completely controlled by Canadians and immune from foreign ownership. It is with the method Mr. Gordon has chosen that every responsible newspaper must strongly disagree and, if it is adopted by Parliament, seek to have rescinded by some future Government.

Speaking in the House the other day the Minister said he was open to suggestions with regard to this matter, and that he was looking for alternatives. He challenged those who said they too were interested in Canadian nationalism and interested in things Canadian to say what alternative proposals they had. There is an alternative proposal. It involves speaking loudly and clearly not only with regard to newspapers but everything that concerns Canadian nationalism, and making it clear that we will not tolerate any further take-over of the resources of this nation by foreign interests. It involves the indication of a willingness on the part of the Government to step in if such a danger is imminent.

Such a policy should not apply only to newspapers. I think the Government is being very discriminatory in picking out newspapers and ignoring these other things. If you have a national policy you have a national policy; but you cannot simply pick out one group and say you are going to pass laws or implement a policy affecting them while at the same time not doing anything about anyone else in the same circumstances. I object to the solution proposed. I object to the back door method of using advertising to determine the conduct of newspapers.

The other day I had the privilege of listening to the Leader of the Opposition. I always enjoy listening to his speeches. I have a very high regard for the manner of his delivery, but in this particular case I was not impressed by the content of his speech. He referred the other day to this measure having been proposed at a thinkers' conference by Mr. Tom Kent among other suggestions made by that gentleman with regard to advertising generally in Canada. The right hon. gentleman denounced Mr. Kent, but I must say that I have a great deal of sympathy for some of the things Mr. Kent had to say.

There is a serious problem with regard to advertising in this country, but why does the Government not face up directly to that whole problem instead of confining itself to one aspect of it? I think the pervasive and underhanded influence of some of the advertising techniques that are used in other areas is far more dangerous to our concept of national unity and the formation of a national policy that will benefit Canada than the aboveboard advertising that is found in our newspapers. I think there is far more brainwashing being done by lobbyists who are not identified or recognized as such than from the straightforward advertising that appears in newspapers.

• (5:00 p.m.)

I have said before that I resent the way in which the Government has brought in this measure. I am not the only one to have said so, but I think it bears repeating. In the past I have had to vote for measures which were part good and part bad. I sometimes suspect that the Government makes them so almost intentionally. But in this particular case I refuse to support the Government measure and I intend to tell the people of my riding why I refuse to support it. It has many good things in it which I would like to support, but I have come to the end of my rope on this particular principle, this idea of inserting things which should be debated separately, things which have special significance but which are put into a package deal, along with other things that are good for the people of my riding and of Canada generally.

I do not think the Government has a right to do this. The Minister is a reasonable man. I hope he has not considered my remarks as unkind or unreasonable. They were not intended that way, but I certainly hope he will reconsider in this particular case. He has heard the arguments from this side of the House. Some of them have been reasonable, some unreasonable, but above everything else one argument is coming through, that this kind

of measure could best be introduced in some other way.

I think the idea of a voluntary approach to Canadian newspapers would be very effective. I have been highly impressed,—though perhaps I should not be, because the newspapers have not been particularly friendly to those of us who sit on these benches,—with the fact that newspapers in Canada tend to be quite fair and to be Canadian oriented. The Government, I think, should seriously consider a voluntary approach to the newspapers in order to find the solution, knowing the objective and knowing that a solution can be worked out that will be satisfactory without this kind of imposed direction.

Again I repeat the problem of freedom of speech is not involved. I do not think that is the intention of the Minister or the Government, but it could work out that way and it brings suspicions to the fore that something along this line is being considered. Therefore I ask the Minister to remove this paragraph from the resolution so that we can all vote for the things that are good in it, and so that we do not have to vote against measures simply because we resent one portion of them. There would be no loss of face involved in removing the paragraph. There are alternative answers to that suggested by the Minister.

I have some strange ideas—maybe they are not so strange—for someone who is a member of this party. My strange ideas relate to the profit motive in newspapers. A few years ago I saw Mr. Roy Thomson being interviewed on television by one of Canada's leading intellectuals who, I am sure thought he was going to make mincemeat of Mr. Thomson. The burden of his argument went like this, "Mr. Thomson, don't you think it is a terrible thing that Canadian newspapers should be run for profit instead of ideology?" I was quite impressed with Roy Thomson's reply with his argument that if you run a newspaper essentially for profit you tend to be guided by public intention, by the need for public acceptance, and that this tends to neutralize a newspaper. A newspaper run with this motive does not get on a high horse and start developing ideologies. This, I think, is a good thing.

I am far less suspicious of a newspaper that is run for profit than of a newspaper run to promote some ideology. All of us at some time or another would wish to see a newspaper that in its editorial policies favoured us quite strongly. But as Mr. Thomson pointed out, the day may come when it will favour the very things we disagree with, and then we cannot do anything about it.

There is a strong argument in favour of newspapers in this country being accepted as profit making organizations. Our freedoms are in much better hands under those circumstances than they would be in the hands of the ideologists. We have seen many examples in the United States of press barons who decided they were going to change the world with their ideas. They were not interested in whether their papers made or lost money, as they made their profit in other ways. They used their newspapers for propaganda and the result was that they spewed hatred, and everything else that went with it.

We in Canada are quite fortunate that our newspapers are run on a profit motive. One of the leading newspapers in my riding is the *Evening Reporter,* a Thomson newspaper. I have had many disagreements with the *Evening Reporter,* both as a businessman in the community and as a politician who felt he was not getting a square deal, but I will say this for the *Evening Reporter,* that it reports local thought and local opinion, and at no time have I felt someone was telling it what to print, someone somewhere else. If it wants to criticize me, and that is local criticism, well, fine; but I would resent any central organization trying to direct that criticism. This problem of Canadian ownership and identity connected with newspapers is important. We are not going to get it through Canadian editions of *Time* and *Reader's Digest.*

I suggest to the Minister that some time in the future the Government might consider subsidizing political journals in Canada to ensure that all Canadians get fair access to coloured opinion. There is a need for interpretive news reporting. It cannot be given in the daily papers, nor should they attempt to give it, but it should be attempted in the weeklies and the magazines. Many of the people in the smaller parties, many of the people who do not agree with what the majority think, are entitled to have their voice heard; but at present they cannot, except in special cases. To me this would be a practical way to create a Canadian identity and disseminate ideas that might be of value to all Canadians.

Mr. Hales: Mr. Chairman, my remarks will deal specifically with paragraph 19 which reads:

That a new section be added to the Act concerning expenditures of a taxpayer for advertising space in a non-Canadian newspaper—

I am amazed that this piece of legislation should be introduced in this fashion.

• (5:10 p.m.)

Last session as I recall there was a separate resolution on the order paper dealing with this very question. It was there for weeks and weeks. It was discarded and is now concealed in the new income tax resolutions. We have been asked to accept or reject the whole deal. I think the Minister would have been much better advised to have brought in this proposal as a separate resolution since it deals with a matter of such great importance to the people of Canada, namely the freedom of the press.

This has all the appearance of a piece of legislation which was rushed through and poorly thought out. In my humble opinion it seems to be the first step toward control of the press. The remarks I have to make will be along this line of thinking—that the power to tax is the power to control. If this Government has any notion of obtaining control of the press it is on the most dangerous ground which a Government could tread. For an example we need only turn to the country of Ceylon, where last year, the lady Prime Minister of that country decided to gain control of the press and fought an election on that issue. She met with a resounding defeat. Let me warn the Government that if it has any thought of obtaining control of the press it is treading on dangerous ground.

As I have said, my remarks will centre on the statement that power to tax is power to control. I do not think there is any escaping the logic of that statement. The other day the Minister said the proposal put forward by the Government asserted no control whatever over newspapers or other publications. This would seem to be an unusual statement because the Government's proposal does assert for the first time its right to impose discriminatory taxation on advertising by defining who shall, and who shall not, be entitled to tax exemption. As we all know, advertising is the lifeblood of any publication, whether it be a newspaper or a periodical. If this revenue is taken away, freedom is taken away at the same time.

The Minister also said concerning this resolution that it provides no precedent of any kind for Government interference with the complete freedom of the press. Well, in my opinion this legislation does set a precedent, and a most dangerous precedent at that. Having asserted for the first time a Government's right to tax advertising on a basis of ownership there is nothing to prevent extension on other bases. What is there to prevent the Government, in the case of the ownership of a newspaper by a religious or trade union group, for instance, of which it does not approve, imposing such conditions on advertising as to make the venture impossible? The power to tax is the power to control.

I suggest that the Minister should withdraw this proposed legislation in the interest of freedom. He should throw it out. If he does not agree to do this now, he should certainly reintroduce this particular resolution so that the question can go before a committee where representatives of the press and those connected with publishing would have an opportunity to put forward their views. The Minister has said he is prepared to stand or fall by this legislation. Those are strong words and I hope he will think very carefully before he proceeds further with this proposed legislation. In any case I sincerely hope he will consider excluding newspapers from the resolution. To the press I would say this: It is time you spoke out on this subject; do not let the Government silence you with regard to the particular subject now before the Committee, thereby losing the freedom you now enjoy.

Mr. Baldwin: Looking over this fairly complex and lengthy omnibus resolution I am reminded that taxation will always be with us. It has been said that only in heaven will there be no taxation, and then only because Minister of Finance usually go to the other place—and, when I say that, I do not mean the other place usually referred to in this House.

On clause 19 I have this comment to make. In some ways I do not take such a serious view as to the merits of the issue which is now being debated fairly extensively. I would be glad at some time to debate the whole question of economic nationalism which, in its present form, to my way of thinking is cutting across the trend of world development today. However, that can be done on another occasion. But clause 19 does seem to introduce a principle—and this has been referred to by my hon. friend from Wellington South—which constitutes a travesty on the whole constitutional process by making use of the power of taxation as a means by which the British North America Act can be circumvented and the Federal Government can enter into spheres of jurisdiction and authority which

certainly do not lie within the contemplation of that Act.

As hon. Members know, section 91(3) of the B.N.A. Act says the Federal Government has jurisdiction with respect to "the raising of money by any method or system of taxation." It seems to me to be quite outside the simple English meaning of that section for a Federal Government to use fiscal policy in such a way as to attach conditions of the kind set out here, and then, by exempting certain types of development, to control them, in effect, by the incidence of taxation. By this use of fiscal policy the Government is in effect laying down conditions and regulations with respect to commercial undertakings—in this case, newspapers—which it cannot control in a direct way.

• (5:20 p.m.)

It is well known that in 1933 the Alberta Government passed a press bill. I have not the legislation here, but it purported to be a form of licensing to bring newspapers under what could be probable Government supervision. There was no intention indicated in the legislation that it was to control the press; it was simply a licensing bill. The then Liberal Government recognized the dangers of a policy of this kind. There was no attempt, no suggestion, that this legislation was ultra vires. There was a tacit admission that this lay squarely within the powers of a provincial government if it saw fit to exercise the powers. So the then Liberal Government disallowed the legislation, and to my thinking properly disallowed it, although at the time of disallowance no attempt had been made by the Alberta Government to take advantage of the authority which it might have exercised if it had seen fit to do so. I think there is no doubt that the control of newspapers is a matter lying squarely within the ambit of provincial jurisdiction.

This particular philosophy introduced by paragraph 19 could be pursued in many, many other ways by simply attaching conditions to any industry at all, the power to regulate which industry lies squarely and solely in the Province. Then the Federal Government by attaching certain conditions would say in effect, "If you, the industry, comply with these conditions you are in a position to avoid the incidence of taxation or to take the benefit of certain exemptions". If this power were utilized, as it could well be, then I see no field of endeavour into which the Federal Government could not intrude if it desired to do so, and I would think quite legally. I would doubt if a principle of this kind can be successfully attacked in any court, but I suggest it is an attempt to do indirectly what the British North America Act, our Constitution, says you cannot do directly and I would be rather surprised if some of the Provinces do not, on the occasion of some Federal-Provincial Conference, raise this issue.

It may be all right. I am not going to argue the merits of this newspaper issue at this particular time. But as a practice, as a precedent I deplore it and feel that it could lead to very serious consequences. I think it was pointed out today by one hon. Member, as it was once before in the House, that this was done in the Broadcasting Act. I did not like the way it was done then, but there is this difference, that by a Privy Council decision the right to deal with matters of broadcasting was vested exclusively in the Federal Government, and when the Federal Government saw fit, whether rightly or wrongly, to attach certain conditions in connection with the formation of companies and the ownership of shares in companies which would be entitled to participate in broadcasting activity, they were legislating properly within the terms of their jurisdiction. I will not say any more on this matter, Mr. Chairman. I felt I should deal with it on this basis because, while I do not take the same view as other hon. Members as to the actual merits, I do think I would be derelict in my duty if I did not point out the dangers involved in a course of this kind.

Before I sit down, Mr. Chairman, there is another matter I wish to bring to the attention of the Minister and on which I ask for some comments either now or before the legislation is finally passed. I refer to paragraph 10(c) dealing with the clearing of land for the purpose of carrying on a farming business. This involves, in my constituency probably more than in any other constituency or area of Canada, a measure which could be and I hope would be beneficial if there is a liberal construction of this particular section. It could bring considerable benefits. There are in the constituency of Peace River some 10 million or 11 million acres of land now being farmed, and, some two million or three million acres which need to be cleared in order to be brought under cultivation. In addition, following the construction of the Pine Point Railway and as a result of the improved means of transportation and the increasing flow of settlers into the north, there is another vast area of

10 million or 12 million acres of land, most of which has on it a great variety of brush both heavy and light. This is the kind of area which could benefit from a proper definition of the phrase "clearing land" contained in this particular amendment.

This is no idle suggestion, either, because during the course of the last four years approximately 2,000 or 3,000 homestead leases or homestead sales have been made in each year in the Peace River land district. These involve units of 320 acres, and by simple arithmetic it appears that annually there are well over half a million acres of land being taken up for settlement; and this process will continue for a number of years yet. Under those conditions, Mr. Chairman, it seems to me that some time in the next 15, 18 or 20 years, 10 million to 12 million acres will benefit from legislation of this kind if it means what I think and hope it does mean. Clearing land is the first step in making it available for cultivation. This is a request which has been made for many years by people in the north country. I recall 20 years ago sending resolutions down here urging that there be provided a provision to deduct on a yearly income tax basis moneys expended in clearing and breaking land. This has been neglected, and I am happy to give credit to the Government for taking this first, but still rather feeble step in the right direction.

It happens that other parts of Canada, through certain programs applicable to the designated areas, have received substantial benefits through the accelerated write-off and recently through outright grants. We from the north, my colleague the hon. Member for Yukon, the hon. Member for Northwest Territories and other hon. Members, have for many years urged that some particular concession on an income tax basis be provided for those who live in the north and who have to undergo the difficulty of meeting much higher costs either in their business or farming operations. I have no objection to these other benefits being made available to the designated areas in Canada, but it does seem to me very highly illogical to keep on doing so when it may have the result of perpetuating uneconomic conditions, and at the same time paying no attention to making similar benefits available to the northern parts of the country, which are now in the early stages of development.

I do not know what the Minister means by "clearing land". I assume this may have to be subject to interpretation by the officials of the Department of National Revenue. If it does in fact mean all the steps which need to be taken to clear brush from land so it can be cultivated, then it is a substantial step in the right direction. The only difficulty about it is, as I think one hon. Member pointed out, that all too frequently the people who first take over these homestead leases and homestead areas have to go for a period of several years before they come into the tax paying bracket. I would suggest to the Minister that he give consideration, if not now then certainly the next time there is an amendment to the Income Tax Act, to giving to people who could benefit from this amendment the right over a period of years to select the year in which they can ask for this particular deduction.

Generally it takes a homesteader three or four years to break, cultivate and brush 150-200 acres of land. Only at that time does the farmer come into a position where he might hope to make sufficient revenue from which taxation would be paid to the federal Government. Unfortunately most of the money spent in doing the clearing is paid several years before the first year in which the farmer earns a taxable income. I think it might be feasible for the Government to consider providing a period of five or six years following the year when the clearing has been done in order to permit the farmer to select the year when he can ask for and obtain his exemption. I would ask the Minister to give consideration to this suggestion. I am quite sure that this would be a very valuable and useful aid to settlements in Northern Canada, and I feel that the Government, having taken this first step, might well consider going the whole distance.

• (5:30 p.m.)

Mr. Coates: Mr. Chairman, up until the introduction of this resolution the newspaper industry has looked upon the ineptitude and stupidity of this Government in a rather nonchalant way. That industry has not become personally involved at any time with the kind of legislation this government has been bringing forward in the House for the two years they have been in office. But all of a sudden the newspaper industry has come face to face with the nonsensical intrusions that this Government has been making into the field of free enterprise ever since it has taken office, and this may be an indication to the industry just how dangerous a Government this is.

When one reads the resolution and interprets what this Government intends to do in connection with newspapers which have been in existence for many years, and have rendered great service to the Canadian nation by way of providing information, we become aware of the degree of irresponsibility to be found in the actions of this Government almost every day of the week. When the Minister of Finance indicates that the life of the Government would depend on the acceptance of the legislation embodied in this resolution, Canadians will quickly become aware that this Government's life expectancy is not too long as of now. When a newspaper such as the Winnipeg *Free Press*, which has been willing to coddle the Government so often, makes the kind of statements found in the editorial of that publication for June 16, one becomes aware of the degree of interference exemplified in the legislation proposed by this resolution. If the Minister of Finance and the Government have the brains that God gave a goose they will be clever enough to remove this particular legislation from the order paper, and remove it quickly.

This is a Government loaded with bureaucrats who want to interfere in everything that is going on in this nation of Canada. These bureaucrats, as my leader pointed out in his speech earlier today, are experts in red tape and deceit. The Government has Cabinet Ministers who do not know how to give a straightforward answer to any question asked; they have become experts in half-truths. The Government has a Prime Minister who has been described as having selective amnesia; one who has had to sit in this House and watch every Member from every party in the Opposition question the authenticity of his statements in the House; one who, if he were in Great Britain, would have resigned his office when the vote was taken.

The Winnipeg *Free Press* entitled its editorial, "Weak Case". Some may assume from the title of this editorial that it is not very damaging. Let me tell the Minister of Finance that the only thing weak about it is the title. It is the most damning piece of editorial writing that has probably ever appeared in this paper, one which has been the guardian and promoter of the Liberal party ever since it has been in existence. I do not intend to read every word contained in the article, although it is all good advice to which the Minister of Finance should pay very close attention. It tells the Minister just how shocked it is by what he proposes, and just how afraid it is of this oligarchy of bureaucrats who form the Government today and run this country in whatever way they feel it should be run, no matter what the Canadian people might think.

This publication is not alone in this view, Mr. Chairman. There are many supporters of the contention set out in the editorial of the Winnipeg *Free Press*. Here are some telegrams received by the Leader of the Opposition which I intend to place on the record for the edification of the Minister of Finance. This one is from Ralph Costello, publisher of Saint John:

> The *Telegraph-Journal* and *Evening Times-Globe* of Saint John, N.B. are among the many Canadian newspapers which strongly oppose the Government intervention and threat to freedom of the press contained in the advertising tax measure now being considered by the House of Commons.
>
> It is conceivable that the almost unanimous opposition of daily Canadian newspapers to this method of control will be ignored by the House. This opposition has not been motivated by self interest. In opposing this measure the newspapers of Canada are sincerely concerned about the precedent being established and the possible misuse of this precedent in future.

● (5:40 p.m.)

It is signed by Ralph Costello, publisher of the *Telegraph-Journal* and the *Evening Times-Globe*.

I have another telegram which reads:

> This newspaper strongly opposes budget proposal to control newspaper ownership through control of advertising budgets. This regarded as first insidious step toward possible future government control of press and contrary to Bill of Rights. Strongly urge proposal be withdrawn for further study
>
> Robert L. Curran, Sault *Daily Star*

I feel certain, Mr. Chairman, that every newspaper, whether or not affected by the tax in question in this resolution, will oppose this resolution with vim and vigour.

Let me tell the Minister of Finance this. Up until now the Liberal Party has enjoyed a degree of attention from the newspapers of this country that in my opinion certainly has been unjustified from any point of view, for it has been a Government so fraught with fumbling and bumbling and outright stupidity that if the newspapers of this nation had educated the public as to its faults, it would not now be in office. Perhaps the newspapers will now smarten up and realize just how far the fumbling and bumbling of this Government has gone, just how willing it is to interfere with any and every facet of the economy of this nation, and how willing it is to weaken and damage even the freedom of the press if it benefits in some known or unknown way.

One of the newspaper groups that will be adversely affected by this legislation if it is passed is the Thomson chain. While there is

not a Thomson newspaper in my constituency, and I have no love or hatred and hold no brief for this chain, I want to go on record as saying that I have found it to be the kind of newspaper chain about which no one in Canada can complain. I have seen this chain purchase newspapers and know that one would never realize that the ownership had changed because there has been no change in the editorial policy; and the same requirements, maintaining its standards in the community, have remained. This Government is willing to throttle and destroy that chain just as surely as if it passed a law which forced Canadians to stop purchasing its newspapers.

It would appear that if this Government cannot control a newspaper, it intends to destroy it. The Leader of the Official Opposition indicated that one newspaper in Ontario, and I believe it was the *Muskoka News*, has already had the boys from National Revenue move in and tie up its operations. What will happen after this legislation is passed? It would be difficult to even guess what will occur next, particularly when one realizes what is in the minds of those men who sit in the Treasury Benches of this nation today. Those men can get themselves into terrible messes without even knowing that they are walking into them.

Let me say this to the Minister of Finance. If he thinks he ran into difficulty in respect of the budget resolution dealing with the 11 per cent sales tax, he has no idea what trouble is, and could certainly not envisage the difficulty he is going to encounter in the days to come as he endeavours to get this piece of legislation through this House. As bad as the 11 per cent sales tax was and is, with the many bankruptcies of reputable businessmen it has brought about, it is nothing compared to what will emanate from this legislation because of the degree to which the freedom of the press will be suppressed.

No one in his right mind would bring this kind of legislation before the House unless he had an ulterior motive. One certainly cannot discover what the Government's ulterior motive is in this regard. Certainly any Member of the Opposition who by asking questions has made an effort to find out why this Government does the things it does from day to day, knows how difficult it is at any time to obtain a straight answer in respect of any matter, important or unimportant.

I should like to conclude my remarks by quoting the last paragraph of an editorial which appeared in the Winnipeg *Free Press* of June 16, 1965, as follows:

> No one, least of all the newspapers of Canada, quarrels with the government's objective of assuring a press which is completely controlled by Canadians and immune from foreign ownership. It is with the method Mr. Gordon has chosen that every responsible newspaper must strongly disagree and, if it is adopted by Parliament, seek to have rescinded by some future government.

I should like to say this. This is North America, not South America; this is a democracy with a democratic Government, not a dictatorship. We do not use the gag or the mailed fist to stop the newspapers from saying what they desire to say in their columns. If that is the intention of the Government, then I say once again: Smarten up; take this legislation off the order paper, and let us get on with the business of the country.

• (5:50 p.m.)

Mr. Peters: Mr. Chairman, I want to make a comment or two following the statement made by the hon. Member for Peace River with regard to the matter of a tax concession to farmers who clear land. We are all well aware of the fact that the Minister of Agriculture is concerned with a certain class of farmer who is in a fairly high economic bracket and does, I am sure, pay income tax. However, anyone who has really looked at agriculture in the development areas of northern Ontario or other areas of northern Canada where land clearance is still worth while, and an economic proposition from the point of view of the country would have to question whether or not this provision really gives much of a concession to such farmers.

It is quite true that in some areas of southern Ontario land is being cleared, and I am sure this is probably the case in the southern areas of other provinces as well. I know that considerable land clearance is going on in southern Quebec. But such clearance in the main is not being done by individual farmers setting out to homestead, as many of those in the newer areas are doing. Rather, it involves the clearing of land on a fairly large scale.

It is well understood that the Province of Ontario has been concerned about land clearance and I know that this is also true of the Province of Quebec. The former Federal Government showed some inclination to interest itself in this field through ARDA. I think it is a fact that a great deal of land has been cleared in Ontario and Quebec that never should have been cleared at all. This has resulted in a very detrimental situation and

one that ARDA was really established to correct.

We know that the Ottawa valley, for instance, once had one of the largest and most valuable stands of timber in the country. The trees were cut down and land was cleared for agricultural purposes which any agency interested in the conservation of our resources would know should never have been cleared. As a result water and land conservation problems have arisen which we are now having to face, and under ARDA a program of planting trees is being carried out because of the fact that the land is not agricultural and never will be.

It is also known that much of the land being cleared in many areas today is being cleared with the help of provincial grants, which take care of about half of the actual cost of clearing the land. In northern Ontario, where land is selling for $30 to $50 an acre, it has always surprised me to find the Farm Credit Corporation, a Federal agency, making grants of from $12 to $18 an acre for clearing farmland, while the Ontario Provincial Government has paid $25 an acre for the clearing of similar land on the basis of a 50 per cent grant.

I am well aware that there are farmers in my area who will take advantage of this tax concession. I as a Member of Parliament can take advantage of it. I have been thinking for some time of clearing some land I own, and I am also often concerned about the amount of income tax we have to pay. I also know that I was going to be able to clear some of the land in another manner and that this provision obviously cuts me off now from doing so. The fact is that companies will want to get into the business of clearing land for purposes of speculation. They will have the equipment to do so and they will find that clearing land can be done for the grants that will be allowed, and they will also be entitled to a write-off for tax purposes.

I wish to refer to another point brought out very clearly by the hon. Member for Peace River who represents a large segment of the newly developed areas of Canada. I am not too sure whether the riding of Peace River covers what I consider to be the Peace River area, but I know of people who have gone to the Peace River area and have secured land there, just as people have in my riding. On the basis of cases that have come to my attention and my personal knowledge I know that most of these people have no income at all. In my area they can receive no assistance from the Provincial Government because they have less than 25 acres cleared and the agricultural representative considers that they do not earn half their income from the land they have cleared. These people, of course, are not now eligible for assistance from the province and they are not going to be eligible under the provision in the resolution, for the simple reason they are not earning any income and do not pay any income tax.

I am wondering whether some safeguard is going to be provided by the Department of Finance and whether the Minister is really going to consider certain things that may be in direct conflict with some of the other things the Government is doing. I have always been concerned with what appears to be the lack of knowledge of the Liberal Government with regard to the purpose for which the ARDA program was established. I think we have here another indication that there has not really been too much co-ordination of thinking between the people who are going to benefit from this provision, and those concerned with ARDA who really believe in the conservation of our natural resources and the application of those resources to bring about the greatest economic benefit to the Canadian people.

We know that many of the areas that are going to be reforested under the ARDA program are areas where the Ontario Government made a considerable monetary contribution for the clearing of the land without really knowing if the land should have been cleared. I was of the opinion that in the initial stages of the ARDA program a survey would be made right across Canada for the purpose of seeing that land was properly utilized and put to the most productive use. I do not see any protection under this provision for that aspect of the ARDA program.

There are many people in Timiskaming and elsewhere who really are not pioneers any longer because pioneers usually have only a quarter section of land and really are not in a position to make the kind of contribution that would warrant an income tax reduction for any purpose. But those engaged in large farming operations are in a position to buy land and will be able to take advantage of this proposition. Before the resolution passes I hope the Minister will indicate what type of regulations he anticipates the Department will make to guarantee that there will not be a conflict with the best utilization of land under ARDA and to make sure that

this deduction will be in the general interests of the best utilization of our land.

I hope the Minister will consider this point which was raised initially by the hon. Member for Peace River because I think there is a conflict between what many of us hope the ARDA program will do with regard to land utilization and what this program may do for those who really do not need this type of concession.

The Chairman: Order. It being six o'clock it is my duty to leave the Chair so the House may proceed with the consideration of private Members' business.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED UNDER ADJOURNMENT MOTION

Mr. Deputy Speaker: It is my duty, pursuant to Provisional Standing Order 39A, to inform the House that the questions to be raised at ten o'clock p.m. this evening are as follows: The hon. Member for Prince Edward-Lennox (Mr. Alkenbrack), redistribution—publication of maps in weekly newspapers; the hon. Member for Parry Sound-Muskoka (Mr. Aiken,) education—student loans—inquiry as to improvements in plan; the hon. Member for Rosthern (Mr. Nasserden), agriculture—feed grains.

• (6:00 p.m.)

Order. It being six o'clock the House will now proceed to consideration of private Members' business as listed on today's order paper.

Hon. J. Watson MacNaught (Solicitor General): Mr. Speaker, could I have the unanimous consent of the House to revert to the item of business "Presenting Reports by Standing and Special Committees" to permit the Whip to make a report on the personnel of the various committees?

Some hon. Members: Agreed.

STANDING COMMITTEES

Mr. J. E. Walker (York Centre) presented the first report of the Special Committee appointed to prepare and report lists of Members under Standing Order 65 to compose the Standing Committees of the House, as follows:

[Mr. Peters.]

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Messrs:

Berger	Mather
Cowan	McCutcheon
Dinsdale	Morison
Drouin	Nesbitt
Fisher	Otto
Gelber	Prud'homme
Grégoire	Pugh
Groos	Simpson
Horner (Acadia)	Stewart
Jewett (Miss)	Tardif
Mackasey	Thomas
Marcoux	Valade

CROWN CORPORATIONS

Messrs:

Addison	Kindt
Asselin (Notre Dame de Grâce)	Lloyd
Beaulé	Loiselle
Cameron (High Park)	MacInnis
Cameron (Nanaimo-Cowichan-The Islands)	Matheson
Côté (Longueuil)	McCutcheon
Côté (Chicoutimi)	McLean (Charlotte)
Douglas	Muir (Lisgar)
Eudes	Otto
Gundlock	Pigeon
Hales	Rhéaume
	Rouleau
	Stewart

FINANCE, TRADE AND ECONOMIC AFFAIRS

Messrs:

Basford	Irvine
Bell	Kindt
Cameron (Nanaimo-Cowichan-The Islands)	Lambert
Chrétien	Lloyd
Douglas	Macdonald
Flemming (Victoria-Carleton)	McLean (Charlotte)
Forest	Monteith
Francis	Moreau
Gelber	Pennell
Grafftey	Pilon
Grégoire	Thomas
	Thompson
	Whelan

FISHERIES

Messrs:

Armstrong	Dionne
Barnett	Dubé
Basford	Granger
Béchard	Howard
Blouin	Loney
Cadieu (Meadow Lake)	MacLean (Queens)
Carter	McLean (Charlotte)
Cashin	O'Keefe
Chatterton	Patterson
Crouse	Stefanson
Cyr	Tucker
Danforth	Willoughby

HEALTH AND WELFARE

Messrs:

Brown	Côté (Longueuil)
Cameron (High Park)	Cowan
Cardiff	Enns

Flemming (Victoria-Carleton)
Francis
Harley
Howe (Hamilton South)
Howe (Wellington-Huron)
Jones (Mrs.)
Knowles
Laverdière
Marcoux
Munro
O'Keefe
Perron
Regan
Rideout (Mrs.)
Rochon
Rynard
Wadds (Mrs.)
Willoughby

HOUSING, URBAN DEVELOPMENT AND PUBLIC WORKS

Messrs:

Aiken
Badanai
Basford
Boulanger
Cashin
Chatterton
Frenette
Gendron
Grafftey
Kelly
Lloyd
Loiselle
Macaluso
Martin (Timmins)
McBain
McWilliam
More (Regina City)
Nielsen
Pascoe
Prittie
Rinfret
Rondeau
Ryan
Vincent

INDIAN AFFAIRS, HUMAN RIGHTS AND CITIZENSHIP AND IMMIGRATION

Messrs:

Asselin (Richmond-Wolfe)
Badanai
Baldwin
Boutin
Brewin
Crossman
Danforth
Fane
Gray
Klein
Konantz (Mrs.)
Korchinski
Lachance
Macaluso
Macquarrie
Moore (Wetaskiwin)
Nielsen
Orlikow
Prud'homme
Rhéaume
Roxburgh
Thompson
Wahn
Watson (Châteauguay-Huntingdon-Laprairie)

INDUSTRY, RESEARCH AND ENERGY DEVELOPMENT

Messrs:

Addison
Alkenbrack
Asselin (Notre Dame de Grâce)
Choquette
Chrétien
Crouse
Davis
Forest
Granger
Hahn
Hales
Irvine
Laniel
Latulippe
Leboe
McNulty
More (Regina City)
Moreau
Mullally
Noble
Peters
Ricard
Saltsman
Stenson

JUSTICE AND LEGAL AFFAIRS

Messrs:

Bell
Bélanger
Bigg
Cashin
Chapdelaine
Choquette
Chrétien
Coates
Drouin
Fairweather
Girouard
Greene
Guay
Honey
Howard
Macdonald
Nielsen
Nugent
Otto
Paul
Ryan
Scott
Temple
Woolliams

LABOUR AND EMPLOYMENT

Messrs:

Barnett
Basford
Byrne
Cashin
Côté (Longueuil)
Dionne
Émard
Foy
Godin
Gray
Jones (Mrs.)
Knowles
Lessard (Lac-Saint-Jean)
Mackasey
MacInnis
McBain
Millar
Muir (Lisgar)
Regan
Ricard
Rideout
Starr
Valade
Wahn

MISCELLANEOUS ESTIMATES

Messrs:

Asselin (Richmond-Wolfe)
Barnett
Cadieu (Meadow Lake)
Côté (Chicoutimi)
Émard
Eudes
Forbes
Foy
Girouard
Habel
Harley
Jorgenson
Korchinski
Leblanc
Leduc
Muir (Lisgar)
Peters
Pilon
Richard
Rochon
Rondeau
Skoreyko
Smallwood
Watson (Châteauguay-Huntington-Laprairie)

MISCELLANEOUS PRIVATE BILLS

Messrs:

Addison
Alkenbrack
Deachman
Ethier
Frenette
Gelber
Horner (Acadia)
Kennedy
Kindt
Lambert
Laverdière
Loiselle
Mather
Matte
Mitchell
Mullally
Nixon
Paul
Perron
Pugh
Smallwood
Wadds (Mrs.)
Webster
Whelan

NATIONAL DEFENCE

Messrs:

Béchard
Brewin
Churchill
Deachman
Dubé
Fane
Groos
Hahn
Harkness
Lambert
Langlois
Laniel
Lessard (St. Henri)
Lessard (Lac-Saint-Jean)
MacLean (Queens)
MacRae
Martineau
Matheson
McMillan
McNulty
Rock
Smith
Temple
Winch

Standing Committees

NORTHERN AFFAIRS AND NATIONAL RESOURCES

Messrs:

Alkenbrack	Howard
Berger	Laprise
Blouin	Leboe
Cadieu (Meadow Lake)	Legault
Cantelon	Madill
Crossman	Mitchell
Cyr	Moreau
Dinsdale	Nielsen
Godin	Rhéaume
Granger	Ryan
Groos	Turner
Herridge	Woolliams

PRIVILEGES AND ELECTIONS

Messrs:

Armstrong	Lessard (Saint Henri)
Blouin	Leboe
Coates	MacEwan
Doucett	Macquarrie
Francis	Martin (Timmins)
Grafftey	O'Keefe
Greene	Paul
Habel	Pigeon
Harkness	Prud'homme
Horner (The Battlefords)	Richard
Howard	Rochon
Latulippe	Tardif

PUBLIC ACCOUNTS

Messrs:

Baldwin	Lloyd
Cameron (High Park)	McMillan
Caron	Mitchell
Côté (Chicoutimi)	Nasserden
Crouse	Noble
Fleming (Okanagan-Revestoke)	O'Keefe
Forgie	Pilon
Gendron	Rinfret
Hales	Saltsman
Hamilton	Southam
Leblanc	Tardif
Legault	Winch

STANDING ORDERS

Messrs:

Asselin (Notre Dame de Grâce)	Howard
Balcer	Jewett, (Miss)
Boulanger	Kelly
Chapdelaine	Leblanc
Cyr	MacInnis
Forest	Nielson
Gauthier	Ouellet
Gray	Simpson
Guay	Skoreyko
Hahn	Wahn
Horner (Acadia)	Webb
Horner(Jasper-Edson)	Winch

TRANSPORT AND COMMUNICATIONS

Messrs:

Balcer	Cantin
Boulanger	Cowan
Cantelon	Deachman
Fisher	Macdonald
Flemming (Victoria-Carleton)	Millar
Foy	Nasserden
Guay	Olson
Horner (Acadia)	Pascoe
Howe (Wellington-Huron)	Prittie
Kennedy	Richard
Macaluso	Rideout (Mrs.)
	Rock
	Tucker

VETERANS AFFAIRS

Messrs:

Bigg	Legault
Carter	MacRae
Chatterton	Madill
Émard	Matheson
Fleming (Okanagan-Revelstoke)	McIntosh
Forgie	Morison
Granger	Ormiston
Groos	Patterson
Herridge	Peters
Kelly	Plourde
Kennedy	Rock
Laniel	Temple

[Mr. Walker.]

Mr. Walker moved that the report be concurred in.

Motion agreed to.

Hon. J. Watson MacNaught (Solicitor General): Mr. Speaker, I wonder could I have the unanimous consent of the House to revert to motions to refer the estimates of various departments to the committees announced by the Whip?

Some Hon. Members: Agreed.

REFERENCE OF DEPARTMENTAL ESTIMATES TO STANDING COMMITTEES

Hon. J. Watson MacNaught (Solicitor General) moved:

That, saving always the powers of the Committee of Supply in relation to the voting of public moneys, the items listed in the Main Estimates for 1965-66, relating to the Departments of Defence Production, Fisheries, Industry, Justice, Labour, National Defence, Trade and Commerce and Veterans Affairs be withdrawn from the Committee of Supply and referred to standing committees of this House, as follows:

Defence Production—to the Standing Committee on National Defence;

Fisheries—to the Standing Committee on Fisheries;

Industry—to the Standing Committee on Industry, Research and Energy Development;

Justice—to the Standing Committee on Justice and Legal Affairs;

Labour—to the Standing Committee on Labour and Employment;

National Defence—to the Standing Committee on National Defence;

Trade and Commerce—to the Standing Committee on Finance, Trade and Economic Affairs; and

Veterans Affairs—to the Standing Committee on Veterans Affairs.

Motion agreed to.

MOTIONS FOR PAPERS

REPORT RESULTING IN RETIREMENT OF R.C.M.P. OFFICERS

Mr. Robert C. Coates (Cumberland) moved:

That an Order of the House do issue for a copy of the report prepared by the Commissioner of the R.C.M. Police which resulted in the forced retirement of Chief Superintendent Bélec and Sub-Inspector Poitras.

He said: Mr. Speaker, I have waited some time to have an opportunity to enlarge upon the request that I first made in the last session of Parliament to have tabled in the House the report that was prepared by the Commissioner of the R.C.M. Police for the Minister of Justice, (Mr. Favreau).

I realize that when the Government spokesman answers me he will no doubt explain to the House, through a long recital of precedents, the reason why this should not be done; but it is my intention in as brief a manner as possible to state the reasons why I feel this should be done, and should have been done many months ago.

The situation related to this matter is almost unprecedented for, to the best of my knowledge, what happened was that a request was made by the Commissioner of the R.C.M.P. to the Minister of Justice to dismiss the two individuals mentioned, Chief Superintendent Bélec and Sub-Inspector Poitras. One will quickly appreciate that these were not insignificant individuals in the R.C.M.P. Indeed, it is my understanding that Chief Superintendent Bélec was in charge of the R.C.M. Police in the Province of Quebec, and it is indeed a serious matter when the Commissioner of the R.C.M. Police considers it necessary to make a recommendation to the Minister of Justice to have an Order in Council passed for their dismissal.

One must always keep in mind that the high reputation of the R.C.M. Police must be maintained at all times, regardless of the involvement of any individual; but it is my belief that the Minister of Justice did not do that on this occasion. When he received this request from the Commissioner he had two alternatives available to him. Certainly we in the House do not expect the Minister to rubber-stamp anything that might come before him from the Commissioner, but at the same time we do expect that, when a request comes to his desk from the Commissioner, he will give it that consideration which warrants action almost immediately.

• (6:10 p.m.)

In the circumstances the Minister had two alternatives available to him. He could have said to the Commissioner: The facts as set out are correct; the action you recommend is correct, and an order in council will be prepared immediately for the dismissal of these men. Or he could have said: The facts are not serious enough to warrant the kind of action you recommend. In either case the Commissioner and the R.C.M.P. would have known where they stood. But the Minister of Justice, instead, did the worst thing possible: He did nothing. He allowed the matter to hang in the air in suspended animation. He allowed it to hang there for months, and during that period of time a great deal of talk developed which materially affected morale in the force. He allowed two senior men, men who had spent many years in the R.C.M.P., to remain on tenterhooks not knowing what their fate would be. The Minister placed the force in a most demoralizing position for reasons no one knows—reasons which no one can know unless the report in question is tabled in this House, or a public inquiry is recommended by the Government.

In the end, what we find is that the two individuals involved are no longer members of the R.C.M.P. But they do have their pensions. It is something very strange when two individuals find themselves in a position where they can no longer remain members of this illustrious organization—their actions have resulted in their no longer being considered capable of remaining in the force—while at the same time they are allowed to leave with their pensions.

Mr. Speaker, one is either guilty or not guilty. If these men were not guilty of the offences of which they were accused, they should have been allowed to return to the posts from which they had been suspended. If they were, they should be dismissed, brought before the courts and prosecuted for the offences which are alleged. We find it is impossible to learn exactly what transpired except that these men are no longer members of the R.C.M.P. and that they have obtained their pension entitlement from that force. With the affairs which have taken place in the Province of Quebec over the past two years and with the involvement of Members of the Liberal party in so many of these scandals, and with the involvement of those officers in matters associated with suggested devious ac-

tions, one begins to wonder whether the Government is not afraid of what might be said by these two individuals if a public inquiry were announced and those involved were allowed to state their case and place their story before the Canadian people.

I am responsible enough to know that one does not in ordinary circumstances expect the Government to agree to the tabling of a report of this kind. But these are not ordinary circumstances: These are very strange circumstances. These are circumstances of the kind which revolve around everything which has been going on between this Government, the upper echelon of the executive which serves the Cabinet of this country, and organized criminals in the Province of Quebec. If these men have been involved in any way, it is my belief the Canadian people should know about it. They should know also that the Commissioner was willing to take action of the kind which would eliminate this kind of thing from the R.C.M.P. Instead, we find the Minister of Justice and the Government unwilling to provide the facts for the Canadian people, though willing to allow the reputation of the R.C.M.P. to be discredited for their own protection.

I believe that in fairness to everyone concerned this report should be made available or a public inquiry should be set up in order that the Canadian people may be allowed to judge the facts in a public way.

Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice): The hon. Member has made certain insinuations about a connection between Members of this House, members of this party and of the executive, and organized criminals. I take great exception to that. I say they are wholly unfounded. They are false insinuations and I regard them as contemptible.

As the hon. Member knows very well, I am not in a position to make the details of this particular disciplinary case available, but they bear no relation at all to any of the other incidents which may have been discussed in this House or to any of the insinuations which he or other Members of his party have made with regard to certain people in this House or outside it.

Mr. Churchill: Is the Parliamentary Secretary not himself making certain insinuations by saying that hon. Members of this House have made insinuations? Speak plainly.

[Mr. Coates.]

Mr. Macdonald: I am just dealing with the rather contemptible remarks of your colleague. I make no insinuations. I say directly that they are contemptible.

The hon. Member has professed some familiarity with the precedents and the law affecting this situation. He says he is aware of the long established principles which have been laid down in this House in connection with matters of this kind. Yet he makes the statement—a puzzling one in view of the clear provisions of the R.C.M.P. Act—that either these persons are guilty or they are not. He says that if they are guilty they should be dismissed and brought before the courts.

• (6:20 p.m.)

I think it is necessary for the benefit of the hon. Member and for the sake of the record to make clear exactly what are the provisions of the R.C.M.P. Act in this respect, and the purpose of those sections which provide for disciplinary procedure—the procedure followed in this case. Before doing so I would just like to make reference to some of the precedents in this House which make it quite clear that it is long established tradition that the internal documents of the R.C.M. Police relating to disciplinary matters should not be made subject to an order under this type of motion. The rule, of course, is founded very soundly on principle and is related to the special character of the service which the R.C.M. Police perform on behalf of Canada. It is related to the very high standards of discipline which in part at least have contributed to the high reputation that force has, and to its very great responsibility as a police force, which is something all police forces have.

I would like to make reference to *Hansard* for May 7, 1952, and to a motion by the hon. Member for Prince Albert, now the right hon. Leader of the Opposition (Mr. Diefenbaker), for the disclosure of all the evidence taken on a similar kind of disciplinary proceeding against a former member of the R.C.M.P. Speaking on behalf of the government of that time, the former Minister of Justice, Hon. Stuart S. Garson, laid out several principles which I think it is well for the House to bear in mind in dealing with this particular motion. After making reference to the fact that there were precedents—and he cited them on that date—for the non-production of this kind of material, he went on as follows:

The right of the Commissioner, acting under the authority given to him by the Act and under the

general supervision of the Minister, to engage and discharge personnel at his discretion has over the years proved to be one of the principal factors in maintaining a high level of discipline and efficiency within the Royal Canadian Mounted Police. Any suggestion that that authority may be questioned would weaken the whole fabric of discipline and control.

Then he continues in the same passage:

The strict, even severe, standards of discipline insisted upon by the force are well known and are accepted by recruits when they are engaged as well as by older members each time they re-engage. The reputation the force enjoys and is striving successfully to maintain in the face of recent substantial expansion is based very largely on adherence to these standards.

That particular motion was refused by the House. It was submitted to a vote of the House and the vote was negative. One would have assumed that if the hon. Member for Prince Albert, who was the mover of the motion at that time, had felt the proceedings with regard to disciplinary action in the R.C.M. Police were wrongful, if he had felt there should have been a change in the governing statutes so as to make these proceedings public, he would have taken action to bring about that change. The fact is that while the right hon. gentleman headed the Government of this country the Royal Canadian Mounted Police Act was brought before the House, and perhaps even the hon. Member for Cumberland was present when it was submitted to some very searching scrutiny by the Opposition of that day.

It might be useful, Mr. Speaker, to put on the record the exact details of both the disciplinary proceedings which are followed and some of the statements made by the former Minister of Justice, Hon. E. D. Fulton, on the question of disciplinary proceedings and what were the views of that Government. Under Section 25 of the Statute there is set out a series of offences which are referred to as major disciplinary offences for which disciplinary action may be taken against members of the force, and under Section 26 distinction is made between those offences and certain other violations of the regulations which are referred to as minor service offences.

Hon. Members will recognize at once that Section 25, and indeed the regulations, impose higher standards in many cases than are expected of a person in normal employment. The disciplinary offences are put there in order to maintain the particularly high standard of performance and service in this police force, and because someone may have been tried under that particular section, as was the case with the two former officers involved in this motion, it does not necessarily indicate that there has been anything in the nature of an offence against the Criminal Code nor does it necessarily indicate, as the hon. Member seemed to think, that the individuals in question should be tried in the courts or prosecuted in the courts for these offences. This force, like the armed services, is a highly disciplined one and the failure to observe these particularly high standards may result in this disciplinary action being taken, which of course would not necessarily involve and did not in this case involve the bringing of any proceedings in the criminal courts against the members.

Once an offence has been discovered it is provided by section 32 of the Statute that an investigation is to be carried out, and if after the investigation it appears to an officer that a member has committed a major service offence, a report shall be made to the Commissioner, and if the Commissioner feels the evidence justifies it he shall direct that a written charge be prepared and served on the member. The Statute goes on, under Section 34, to provide the procedural rules which are to be followed in trials under this provision.

This proceeding under the former Statute and as contained in the present one is not a proceeding in the normal course, and it is because of the special character of the R.C.M. Police that the former Government supported by the hon. gentleman decided to take this particular matter outside the ordinary courts and establish it in a particular tribunal to be conducted internally by the R.C.M. Police. Under these provisions, once the sentence is given, by Section 35 it is provided that if the presiding officer is satisfied on the evidence submitted at the trial that the accused is guilty of the offence as charged, he must so find and the presiding officer may then sentence the accused to such punishment as is provided by that part of the Statute.

There is provided to a member of the force the right of appeal. The appeal is to the Commissioner and thereafter a Board of Review shall be appointed under the Statute to consider the appeal. I have already made clear, Mr. Speaker, that the opportunity was there for the former Government, if they felt there was something wrong about these proceedings, and particularly that there was something wrong about the proceedings being conducted in camera, to change the law and make provision for open and public trial in

these matters. This was all the more so because several years before the right hon. gentleman assumed power, that is to say in 1956, the Supreme Court of Canada had had the opportunity of passing judgment on this particular proceeding. I am referring to the case of *The Queen and Archer v. White*, reported in 1956, Supreme Court Reports, at page 154. There, again, there was disciplinary action taken against a member of the force who subsequently took proceedings by way of certiorari to bring those proceedings before the normal civil courts for review. The Supreme Court of Canada refused at that time to review this particular decision, but stated that if it could be established that there was a lack of or an excess of jurisdiction by the R.C.M.Police tribunal, the courts could review. Mr. Justice Rand, who perhaps more than any other living Canadian can claim to be a defender of justice and of civil rights, remarked in that particular case as follows—and I think it is useful to have the statement of such a jurist put on the record with respect to the force:

> Parliament has specified the punishable breaches of discipline and has equipped the force with its own courts for dealing with them and it needs no amplification to demonstrate the object of that investment. Such a code is prima facie to be looked upon as being the exclusive means by which this particular purpose is to be attained. Unless, therefore, the powers given are abused to such a degree as puts action taken beyond the purview of the statute or unless the action is itself unauthorized, that internal management is not to be interfered with by any superior court in exercise of its long established supervisory jurisdiction over inferior tribunals.

He goes on to point out that the force is "a group executing a function of a public or quasi-public nature where obedience to orders and dependability in carrying them out are, for the safety and security of the public, essential and their maintenance of standards the immediate duty of every member". For this reason the learned jurist concurred in the conclusion of his colleagues that the proceedings were not such as to require, on the basis of natural justice, a review by the ordinary civil courts of the country, and he concurred in the reasonableness of the establishment of a special procedure for disciplining members of the force.

• (6:30 p.m.)

I have already made reference to the fact that the former Minister of Justice, Hon. E. D. Fulton, had some considerable comments to make about the procedure of which the hon. Member appears to be so critical, and also he commented on the stand being taken by the Government, one which has been taken by all Governments in the past, namely that the subject matter of these particular proceedings should not be made the subject of public scrutiny and debate. On June 9, 1959, as reported at page 4483 of *Hansard*, during the course of discussing the bill which has now become Chapter 54 of the Revised Statutes of Canada, 1959, the former Minister of Justice had this to say:

> I turn now to the provisions regarding discipline. Here, as I have said, the emphasis is upon making the procedures more democratic and of eliminating wide and arbitrary powers which were contained in the former act. Again I want to emphasize that the fact that these powers are eliminated and modified should not be taken and is not to be taken as an indication that there were abuses in the past; but we have felt that when we are introducing legislation to amend and to modernize the Royal Canadian Mounted Police Act then, in accordance with the pattern and indeed with the desire of the senior officers of the force itself, it is better to provide what I call a democratic procedure, and particularly to provide for a review and appeal procedure in connection with those disciplinary cases.

A little further on he continues in this way:

> We are making an attempt here and I think a successful attempt, to write into the statute the rights of the accused with respect to the holding of his trial so that he will know and have in statutory form that protection which is also available to a person tried before the civil or criminal courts.

I think it is clear from the two authorities I have cited that, first, every effort was made —and the hon. gentlemen opposite passed judgment on what was a reasonable procedure in these circumstances—to provide members of the force who are disciplined for major offences with all the proper defences they could have, given the circumstances of the case. That was certainly the view of the former Minister of Justice, who was supported by the hon. Member for Cumberland. It is also clear, I think, from the remarks I have made in connection with the case of *The Queen and Archer v. White*, that the remedy of certiorari was available to the two members of the force if they felt that action should be taken in the civil courts indicating a lack or an excess of jurisdiction by the tribunal concerned.

I suggest that all proper proceedings were taken in this case. It does not lie with the hon. Member to suggest that there is any impropriety here. I agree it is a matter of concern—I think all hon. Members will agree with this—and indeed of some chagrin, not only for members of the force but for all

members of the public, that from time to time there should be these unhappy cases of discipline. But given that situation, I am sure that the House would not want to aggravate those particular circumstances, or to put in jeopardy those particular disciplinary proceedings or to set aside the long series of precedents established in the House in this connection, by acceding to this motion. Therefore, Mr. Speaker, I hope that the hon. Member and other hon. Members who have had an opportunity of expressing themselves on this question will recognize that this is not a matter to be made the subject of political debate. It is an important matter for the internal operation of the R.C.M.P. It is also an important matter for the status of the members of the force in the eyes of the public. Therefore I hope, now that the hon. Member has been promoted to the front bench, that he will exercise a little of the responsibility which goes with that position in the House, and withdraw his motion.

An hon. Member: You are the one who should withdraw.

Mr. Macdonald: Well, he may not be there long either.

Mr. Churchill: We are trying to get you moved up to the front.

Mr. Macdonald: Let me say I appreciate the kindness behind the hon. Member's efforts. Nevertheless, the amendment passed by hon. gentlemen in 1959 was again scrutinized by the courts, and this in connection with another of the great legislative enterprises in respect to which they take so much pride, namely the Canadian Bill of Rights. Here again in the case of *Re Walsh and Jordan,* which was tried in the Ontario Supreme Court in 1961 and is reported in volume 31 of Dominion Law Reports, second series, page 88, another effort was made by a disciplined member of the force to take proceedings to set aside one of the disciplinary decisions of the R.C.M.P. on the ground that improper procedure had been followed.

The court pointed out in this case that a special regime had been established under the statute which, given all the circumstances, assured a fair trial of the officers in question. Reference was made to the Canadian Bill of Rights in this case, and once again the Canadian Bill of Rights was found to be not applicable to the circumstances of the particular case.

I submit, Mr. Speaker, that if hon. gentlemen opposite, such as the hon. Member for Cumberland, had been concerned about the procedure which they had passed into law at that particular time, they could well have prevailed upon their own colleagues—bearing in mind that this was 1961—to introduce amendments so as to make these particular procedures public, and thus require publication of these matters. I think it is obvious from that fact that they did not do this that those responsible in that day, along with members of Governments who preceded them, had recognized that the best interests of the Mounted Police would not be served, and the desire of Canadians for an effective operation of the service would not be effectively achieved if this type of material was made public. Therefore, Mr. Speaker, if the hon. Member decides not to withdraw his motion, he having had his day in Parliament and made his political speech, I would ask hon. Members to take the early opportunity, when the matter does come to a vote, to reject this particular motion.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, before I commence my brief remarks on this interesting motion for the production of papers I want to bring to the attention of the House that at the present time there is no Member of the Government in the House, and I am wondering whether the Parliamentary Secretary has the authority of the Minister to speak for him on this question.

Before proceeding with what I wish to say, let me say that as a Member of the Opposition I do not like the tone of the Parliamentary Secretary when he accuses the hon. Member who brought this motion forward of doing so in a contemptible manner, and so on. The hon. Member for Cumberland (Mr. Coates) has asked for this report for one reason only. It is because he wants to make certain that justice is done equally to all people in Canada. I am not much enamoured of these legal arguments which some lawyers make in cases I have read, certainly not since I discovered on reading the reports of the Supreme Court that one lawyer in this country managed to get $3,000 damages because the fair name of Harold Chamberlain Banks had been trespassed upon by a certain newspaper of this country. This award was granted upon an argument based upon technicalities and legalities similar to those the Parliamentary Secretary put forward today.

Mr. Deputy Speaker: Order. I realize the hon. Member's remarks are introductory and that he proposes in due course to return to

the subject matter of the motion, but as he knows, these motions are very limited in scope. What we are now considering is whether the documents sought by the hon. Member for Cumberland (Mr. Coates) should or should not be tabled, and it seems to me that the hon. Member is straying some distance from that very limited subject.

• (6:40 p.m.)

Mr. Herridge: Mr. Speaker, I respect your position in that respect, but I was simply illustrating my reason for suspicion in respect of the argument put forward by the Parliamentary Secretary. The interesting thing about his argument is that not once did he suggest to this House that the Commissioner agreed with the Minister's decision, and he was very careful to avoid that statement. If the Commissioner did agree with the Minister's decision, I should like the Parliamentary Secretary to so inform the House. Did the Commissioner agree with the Minister's decision in this respect? The hon. Member is silent.

Mr. Deputy Speaker: Order, please.

Mr. Herridge: What have I done wrong?

Mr. Deputy Speaker: Is the hon. Member relinquishing the floor?

An hon. Member: No.

Mr. Deputy Speaker: I suggest that the Parliamentary Secretary has made his speech, and that it is not in accordance with the rules of debate that an hon. Member in the course of his speech should resume his seat, seeking answers from the other side of the Chamber.

Mr. Herridge: Mr. Speaker, I shall be only too pleased to donate a minute of my time and interrupt my remarks to give the Parliamentary Secretary an opportunity to reply, or to rise on a question of privilege, if necessary.

The subject of this question has been of considerable importance and concern to the public generally, but the only information the public has at the present time is that meagre information that has appeared in the press. A great number of people in Canada believe that these former officers of the R.C.M.P. are guilty of misappropriation of funds. I am not going to discuss that feeling, or the information leading to it, as it will be brought to the attention of the House when the Minister's estimates are before us, but there is more information about this situation than is commonly known and I am sure that the Parliamentary Secretary will be surprised when the Minister's estimates come before the House.

[Mr. Deputy Speaker.]

There is a general feeling in Canada that the law is not being applied equally to all Canadians. It is very natural, but unfortunate that the people of Canada need have concern in this regard. Many people are under the impression as a result of what they have read in the press and stories that have been going the rounds in Montreal—I am not going to go into those at the present time—that these officers are guilty of misappropriation of funds. If they are not guilty, let the Parliamentary Secretary inform this House that they are not guilty.

The R.C.M.P. held an inquiry under the R.C.M.P. Act, and we understand that as a result the Commissioner recommended to the Minister of Justice (Mr. Favreau) that these officers be dismissed from the force, and this is the thing that the ordinary citizen of Canada and the Members of this House are concerned about. Are these senior officers of the R.C.M.P. being treated differently than the ordinary Canadian citizen would be treated? That is the core of the question, not a question of irresponsibility in dealing with this matter in a contemptible way, as the Parliamentary Secretary suggests. This is an attempt on the part of the Members of the Opposition to get the facts.

I am not quite certain that this is the best way to obtain the truth, although I support the motion in principle. The Minister may have some personal reason for his decision to recommend the retirement of these officers with substantial pensions, and there is no question but that they have retired on substantial pensions. Perhaps the Parliamentary Secretary can inform the House as to the basis of the Minister's decision. I understand these two ex-officers are now employed by some private agency, so their talents have been recognized.

In conclusion, I should like to say this. I have great respect for the R.C.M.P. and it is very fortunate that we in Canada have a force of this kind, particularly when we hear about the corruption of lesser forces in this country, and how corruption can creep into a force so easily and quickly.

Some hon. Members: Hear, hear.

Mr. Herridge: We are very fortunate to have the R.C.M.P. and throughout the years we have respected this force, although perhaps we have not agreed with their actions

on occasions. We have always respected their integrity and I should like to say right now that I respect the integrity of the Commissioner. I have not always agreed with certain actions taken by him, but I do believe the Commissioner of the R.C.M.P. is an honourable man whose integrity cannot be questioned. Like any other human being, he may make mistakes. In fairness to the force, to the accused, who will otherwise live under a cloud for the rest of their lives in this country, and in fairness to the public who are concerned with the procedure that has been adopted in this case, and that justice be applied equally to all people, I think this matter should be cleared up.

If an ordinary citizen steals a loaf of bread, he must appear before the local beak and accept his punishment. Every Canadian should be treated alike and, in fairness to the groups I have mentioned, there is only one thing the Minister of Justice can properly do, and that is to stand in this House and say that he has ordered a public inquiry into this whole matter so that the truth will be established and the facts made known, which will put the public's mind at rest.

Mr. Macdonald: Mr. Speaker, the hon. Member suggested that I might reply, but I do not know whether I have the consent of the House to do so.

Mr. Deputy Speaker: Order, please. The hon. Member has already taken part in this debate.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, we in this party do not disagree with the contention of the Parliamentary Secretary (Mr. Macdonald) respecting the statutory provisions for dealing with a disciplinary case in the R.C.M.P. It is pretty obvious that the former Government when it was in power had the power to change the statute if it so wished, but did not, and did not therefore disagree with the provisions.

At the outset let me say that whether or not the remarks of the hon. Member for Cumberland (Mr. Coates) are contemptible, or whether or not he has attempted to drag political parties, particularly the Liberal party, into this case involving discipline within the R.C.M.P., I think that is a wrong thing to do. The R.C.M.P. should not be associated with parties and political activity, or, which is perhaps a better phrase, dirty political actions. As to whether that has happened, the Parliamentary Secretary could very easily allay any suspicions in that respect by simply telling the House whether or not there was any ministerial discretion exercised in respect of these two officers, in that they were treated in a manner somewhat different from that recommended by the tribunal that heard the case. We should like to obtain that information. Did the tribunal that heard the case recommend that these two men be dismissed without pensions because the gravity of their offence was such that this was proper punishment, and was there then some intervention by the Minister of Justice (Mr. Favreau) that lessened the punishment? If that is the case, then there is some credence to the remarks made by the hon. Member for Cumberland. The Parliamentary Secretary could settle the matter very easily, but since he has had his opportunity to speak, perhaps some other Member of that party could do so.

As a result of stories which have been circulating in Montreal and other parts of the country, as well as newspaper reports, we are under the impression that there was some misappropriation of funds in this case. The stories that are circulating are to the effect that these funds were provided to pay for information. That is probably the normal and acceptable way a police force, particularly one charged with the responsibility of national security, obtains information. It may be that that is one of the most effective ways of getting information that is essential to the performing of that function. However, the question arises as to whether or not the suggested misappropriation of funds is simply a matter of internal management, and of maintaining disciplinary standards within the force, or if it involves an offence under the Criminal Code of Canada.

• (6:50 p.m.)

We would like to have explained whether or not the offence was one coming under statutes with which this internal tribunal should deal, or whether the nature of the offence was such that it should have been tried in an ordinary court of law as an offence under the Criminal Code. On the basis of what information we have I cannot agree that these men were either guilty or not guilty. There are degrees of guilt, and even in an ordinary court of law penalties are meted out according to the nature of the offence. Therefore I can accept that perhaps the proper sentence would be that of being dismissed with pension, or perhaps without pension. If they were guilty of a violation of the Criminal Code amounting to theft or misappropriation of funds, maybe a penalty

even more severe than dismissal without pension would have been appropriate.

But so far we have not been given any of this information. However, I am prepared to accept the decision of the tribunal that heard the evidence, without asking for any more details, provided there was no overriding ministerial order.

I think I will leave it at that, Mr. Speaker.

Mr. F. J. Bigg (Athabasca): Mr. Speaker, as an ex-member of the Royal Canadian Mounted Police and having some intimate knowledge of this matter, I think I might be permitted to say a word. In my opinion the Parliamentary Secretary is setting up a straw man in imputing motives to the hon. Member for Cumberland (Mr. Coates). I am convinced that the hon. Member for Cumberland wants nothing more than complete frankness. I am not going to support the demand for the production of these papers, without some reservations, but I certainly feel that the matter has to be cleared up.

The Commissioner of the Royal Canadian Mounted Police is in a very unenviable position. On the one hand, he is permitted to exercise almost unlimited discretion and in certain cases the Government is willing to stake its reputation and its whole future on his judgment. On the other hand, other decisions made by the same man are either completely ignored or overridden. I suggest that you cannot have it both ways. If the Commissioner of the Mounted Police is so omniscient that he knows all the answers and his decisions are to be accepted without reference to a higher authority, that is fine; but let that be the system. I believe that generally speaking no person in Canada should be seized with the responsibility of making irrevocable decisions. The House of Commons is the only tribunal which should make irrevocable decisions, and even here our decisions are not really irrevocable because they are subject to the opinions of the Canadian people by the changing of governments.

I think this whole matter should be brought out in the open with complete frankness. It is common gossip not only among the people of Canada but among members of the force itself that there are aspects of this case which have not been brought to the attention of the Canadian people, or even of Parliament. It is very unfortunate that this situation arose because the fact is that any suspicion of protection or the exercise of unfair ministerial discretion certainly reflects on the ability of the Mounted Police to run their own operation. There is a reflection on the Minister himself if he refuses to give frank answers to the House.

The matter is so serious that I should like the Minister himself to explain why he used his ministerial discretion. I do not deny him that discretion, but over the head of the Mounted Police I think there must be either an independent police commission, something in which I do not believe, or an alert Parliament; and in my view an alert Parliament is all the ombudsman we need. When proper questions are asked in the House I think we are entitled to frank answers. I for one do not impute low intentions to hon. members opposite and I certainly fly to the rescue of Members on this side when all we are seeking is common justice.

From time to time the Mounted Police are forced to discipline members of that organization. I ought to know because I was released from my duties in that force some 20-odd years ago for the crime of getting married without permission. The rule with regard to marriage was changed from six years to seven years service without consulting me, but in spite of that fact I saw fit to get married, which I think is the right of every Canadian citizen over the age of 21, and I was dismissed and fined. I have not complained and I am not complaining now. The standards of the Mounted Police require absolute conformity to the regulations and in my opinion this should apply from the latest joined constable up to the Commissioner himself.

I am not entitled to a full pension. My pension was reduced by 33⅓ per cent some 25 years ago for the crime of getting married and it is still reduced by that amount. I have no recourse, but I am not complaining. I am merely stating the facts of the case. I should like to know whether the far seeing Minister of Justice (Mr. Favreau) would like to review my case some day and decide quite impartially and fairly whether I should not be treated in the same way as these two gentlemen who were relieved of their duties, or asked to retire, or whatever it was that happened to them. We do not know. However, I venture to guess that their pensions have not been reduced. I will also venture to say that they are allowed to wear what is known as the long distance medal. I am not allowed to wear that medal, although my combined service in the Mounted Police and Her Majesty's forces amounts to over 23 years. My service has been smeared because I had

the temerity to get married. These men have been charged with embezzlement and misappropriation of funds. That is the only knowledge we have because the facts have not been made public. Must we sit here quietly and trust to ministerial discretion in this regard without explanations and answers to perfectly legitimate questions in the House?

This is not the first time I have mentioned this subject in the House. I have spoken about it on more than one occasion. We hear these days about angry young men. At times I think I am becoming a very angry middle aged man. There is no reason we should not receive answers to questions which are put in good faith. If our questions are not going to be answered in good faith, I am afraid we are going to have to replace those who sit on the treasury benches by people who will answer in good faith. It is not good enough for the Government to say that the former Government did not do it and therefore they are not going to. Surely that is not a good excuse for a Government that knows all the answers.

Mr. Ryan: May I call it seven o'clock?

Mr. Wahn: Before calling it seven o'clock, Mr. Speaker, I wonder whether I could have unanimous consent of the House to give second reading to Bill S-7 relating to the Interprovincial Pipe Line Company so as to refer it to a committee. It will be recalled—

Mr. Deputy Speaker: Order, please. I must bring to the attention of hon. Members that the hour appointed for the consideration of private Members' business has expired unless the hon. Member has unanimous consent to continue.

Some hon. Members: No.

Mr. Deputy Speaker: There is not unanimous consent. The hour appointed for the consideration of private Members business has now expired. The House will now resume the business interrupted at six o'clock.

• (7:00 p.m.)

WAYS AND MEANS

The House in Committee of Ways and Means, Mr. Lamoureux in the Chair.

INCOME TAX ACT

Resolved, that it is expedient to introduce a measure to amend the Income Tax Act and related provisions of the Federal-Provincial Fiscal Arrangements Act and to provide among other things:

1. That for the 1966 and subsequent taxation years the income tax payable by an individual be reduced by an amount equal to the lesser of 10 per cent of basic tax or $600 and for the 1965 taxation year by an amount equal to the lesser of 5 per cent of basic tax or $300.

2. That for the 1965 and subsequent taxation years a taxpayer may deduct in computing his taxable income an amount for the support of a person who was his niece or nephew and who during the year resided in Canada, was wholly dependant upon him for support, and was

(a) under 21 years of age,

(b) 21 years of age or over and dependent by reason of mental or physical infirmity, or

(c) 21 years of age or over and in full-time attendance at a school or university,

if

(d) the mother of the niece or nephew was divorced or separated and not in receipt of alimony or similar payments, or

(e) the father of the niece or nephew was deceased or mentally or physically infirm,

not exceeding $300 if the person was a child qualified for family allowance and $550 if he was not so qualified.

3. That for the 1965 and subsequent taxation years a taxpayer may deduct in computing his taxable income an amount not exceeding $550 expended by him during the year for the support of a person who was his aunt or uncle and who during the year resided in Canada and was dependant upon him for support by reason of mental or physical infirmity.

4. That for the 1970 and subsequent taxation years the additional exemption of $500 now allowed to a taxpayer who has attained the age of 65 years be allowed only if the taxpayer has attained the age of 70 years and that for the taxation years 1966 to 1969 inclusive a taxpayer who has attained the age of 65 years but has not attained the age of 70 years be allowed the additional exemption of $500 only if he did not receive a pension under the Old Age Security Act in respect of any month in that year.

5. That for the 1965 and subsequent taxation years a taxpayer who deducts in computing his income from an office or employment

(a) annual dues to maintain membership in a trade union or to maintain membership in an association of public servants,

(b) annual dues retained from his remuneration pursuant to the provisions of a collective agreement and paid to a trade union or association, or

(c) annual professional membership dues the payment of which was necessary to maintain a professional status recognized by statute,

shall not by reason of such deduction be ineligible to deduct the standard deduction of $100 described in paragraph (ca) of subsection (1) of section 27 of the Act.

6. That for the 1966 and subsequent taxation years a person, the spouse of such person residing with him and previously resident in Canada, or any dependant child of such person, shall be deemed to have been resident in Canada throughout a taxation year if such person was at any time in the year performing services in a country other than Canada under a prescribed international development assistance program of the Government of Canada, and was resident in Canada during a part of the year preceding the commencement of such services.

7. That for the 1966 and subsequent taxation years a contribution made by a person under the Canada Pension Plan or under a provincial pension plan as defined in section 3 of the Canada Pension Plan may be deducted in computing the income of such person.

8. That for the 1965 and subsequent taxation years the limitation on the amount related to earned income that a taxpayer may deduct as a premium under a registered retirement savings plan be increased from 10 per cent of earned income to 20 per cent of earned income.

9. That for the 1965 and subsequent taxation years such part of any amount that would otherwise be included in computing income of a taxpayer as a retiring allowance be deductible if it is paid in the year, or within 60 days after the end of the year, as a contribution to a registered pension fund or plan, as a premium under a retirement savings plan, or to a trustee under a deferred profit sharing plan.

10. That there may be deducted in computing the income of a taxpayer an amount in respect of an outlay or expense made by the taxpayer in the 1965 and subsequent taxation years

(a) to a person with whom the taxpayer is dealing at arms length and who is the lessee of property owned by the taxpayer, to obtain the cancellation of a lease on such property,

(b) for landscaping property used by the taxpayer for the purpose of gaining or producing income,

(c) for clearing land or laying tile drainage for the purpose of carrying on a farming business,

(d) as or on account of the cost of making representations to a government, municipality or other public authority in connection with a business carried on by the taxpayer, including representations for the purpose of obtaining a licence, permit, franchise or trademark,

(e) as or on account of the cost incurred in investigating the suitability of a site for a building or other structure planned by the taxpayer for use in connection with a business carried on by him.

11. That for the 1965 and subsequent taxation years a corporation shall be deemed to be resident in Canada throughout a taxation year if

(a) it was incorporated in Canada before April 27, 1965 and was resident in Canada in its taxation year that included April 26, 1965 or in any subsequent taxation year, or

(b) it was incorporated in Canada after April 26, 1965.

12. That with respect to payments received by a taxpayer after April 26, 1965, other than a payment made upon the death of an employee, the amount that a taxpayer may elect to have taxed under section 36 of the Act shall not exceed

(a) in the case of a single payment

(i) out of or pursuant to a superannuation or pension fund or plan, or

(ii) pursuant to deferred profit sharing plan, or

(iii) pursuant to an employee's profit sharing plan,

$1,500 times the number of years during which the employee, in respect of whom the payment was made, was a member of the plan, or

(b) in the case of

(i) a single payment upon retirement of an employee in recognition of long service, or

(ii) a payment or payments made by an employer to an employee or former employee upon or after retirement in respect of loss of office or employment

$1,000 times the number of years during which the employee, in respect of whom the payment was made, was an employee of the employer who made the payment.

13. That for taxation years commencing after April 26, 1965, a trust or estate (other than a trust or estate arising on death) that has income from a business carried on by it in Canada may not deduct in computing its income an amount paid or payable to a beneficiary who is

(a) a non-resident of Canada,

(b) a non-resident-owned investment corporation, or

(c) another trust or estate resident in Canada, unless that other trust or estate

(i) arose on a death, or

(ii) has been since April 26, 1965, a beneficiary of the trust or estate paying the amount and the trust or estate paying the amount has been carrying on the business since April 26, 1965,

and any amount paid or payable out of the income for the year of the first-mentioned trust or estate will continue to be included in the income of its beneficiary notwithstanding the fact that the first-mentioned trust or estate was not entitled to deduct the amount in computing its income.

14. That for the 1965 and subsequent taxation years the amount of income derived from a new mine that a corporation may exclude in computing its income shall be confined to income from the operation of the mine by the corporation.

15. That where a joint exploration corporation acquires after April 26, 1965 a right, licence or privilege to explore for, drill for or take petroleum, natural gas or other related hydrocarbons, the cost of the right, licence or privilege may not be renounced to a shareholder corporation.

16. That for the 1965 and subsequent taxation years an amount that a taxpayer may exclude from his income because it is consideration for a mining property acquired as the result of his effort as a prospector, or as the result of efforts of a prospector who was employed or financially assisted by him, shall not include a share of profits, a royalty or a payment based on production.

17. That the Minister of National Revenue with the approval of the Governor in Council may on behalf of the Government of Canada enter into an agreement with the government of a province, under which one government undertakes to transfer to the other, in respect of income tax paid by an individual from whom deductions were made at source as though he were resident in a place other than the province in which he was resident on the last day of the year, a part of the amount deducted or withheld under section 47 of the Act or a similar provision of a provincial income tax act.

18. That in order to give effect to the provisions of paragraph 1 without reducing the amount of equalization payments to any province a consequential amendment be made to the Federal-Provincial Fiscal Arrangements Act to adjust the fractions set out therein in the definition of "standard individual income tax" used in the computation of equalization payments.

19. That a new section be added to the Act concerning expenditures of a taxpayer for advertising space in a non-Canadian newspaper or periodical having effect substantially as follows:

"12A (1) In computing income, no deduction shall be made in respect of an otherwise deductible outlay or expenses of a taxpayer for advertising space in an issue of a non-Canadian newspaper or periodical dated after December 31, 1965 for an advertisement directed primarily to a market in Canada.

(2) An issue or edition of an issue of any newspaper or periodical that is edited in whole or in part in Canada and printed and published in

Canada and that was not on April 26, 1965, a Canadian newspaper or periodical shall be deemed, for the purposes of subsection (1), not to be an issue of a non-Canadian newspaper or periodical if

(a) through the period of twelve months ending April 26, 1965 issues or editions of issues of that publication were being edited in whole or in part in Canada and printed and published in Canada at the usual intervals for issues of that publication and have since that date continued to be so edited, printed and published without interruption except for a reason other than the cessation of the business of publishing that publication; and

(b) in the case of a periodical, the periodical is similar, in content and in respect of the class of readers to whom it is directed, to the issues or editions of that periodical that were throughout the period of twelve months ending April 26, 1965 being edited in whole or in part in Canada and printed and published in Canada.

(3) Subsection (1) does not apply with respect to an advertisement in a special issue or edition of a newspaper that is edited in whole or in part and printed and published outside Canada if such special issue or edition is devoted to features or news related primarily to Canada and the publishers thereof publish such an issue or edition not more frequently than twice a year.

(4) Subsection (1) does not apply with respect to an advertisement in

(a) a catalogue, or

(b) any publication the principal function of which is the encouragement, promotion or development of the fine arts, letters, scholarship or religion.

(5) In this section,

(a) 'Canadian issue' means,

(i) in relation to a newspaper, an issue, including a special issue,

(A) the type of which, other than the type for advertisements or features, is set in Canada,

(B) the whole of which, exclusive of any comics supplement, is printed in Canada,

(C) that is edited in Canada by individuals resident in Canada, and

(D) that is published in Canada, and

(ii) in relation to a periodical, an issue, including a special issue.

(A) the type of which, other than the type for advertisements, is set in Canada,

(B) that is printed in Canada,

(C) that is edited in Canada by individuals resident in Canada, and

(D) that is published in Canada,

but does not include an issue of a periodical,

(E) that is produced or published under a licence granted by a person who produces or publishes issues of a periodical that are printed, edited or published outside Canada, or

(F) the contents of which, excluding advertisements, are substantially the same as the contents of an issue of a periodical, or the contents of one or more issues of one or more periodicals, that was or were printed, edited or published outside Canada.

(b) 'Canadian newspaper or periodical' means a newspaper or periodical the right to produce and publish issues of which belongs to or is vested in

(i) a Canadian citizen,

(ii) a partnership of which at least ¾ of the members are Canadian citizens and in which interests representing in value at least ¾ of the total value of the partnership property are owned by Canadian citizens,

(iii) an association or society of which at least ¾ of the members are Canadian citizens,

(iv) Her Majesty in right of Canada or a province, or a municipality in Canada, or

(v) a corporation

(A) that is incorporated under the laws of Canada or a province,

(B) of which the chairman or other presiding officer and at least ¾ of the directors or other similar officers are Canadian citizens, and

(C) of which, if it is a corporation having share capital, at least ¾ of the shares having full voting rights under all circumstances, and shares representing in the aggregate at least ¾ of the paid-up capital, are owned by Canadian citizens or by corporations other than corporations controlled directly or indirectly by citizens or subjects of a country other than Canada; and

(c) 'issue of a non-Canadian newspaper or periodical' means an issue that is not a Canadian issue of a Canadian newspaper or periodical."

Mr. Bigg: Mr. Chairman, the changes in the Income Tax Act are one of the most important things we can devote our time to in this Chamber. I agree with many of the recommendations for changes, but once again am faced with the difficulty of what I call the iced cake or double resolution, in that we are expected to pass a group of changes under one heading just because we approve of one or two of them. I approve of one or two of them—

Mr. Barnett: On a point of order, is it in order to deal with Government business without a Member of the Government present in the House?

The Chairman: The Chair knows of no requirement in the rules that there should be a Minister in the Chamber during debate.

Mr. Moreau: On the same point of order, quite often we proceed without any Member of that particular group in the House.

Mr. Barnett: I am sure the hon. Member recognizes that those of us in the N.D.P. are not Members of the Privy Council.

The Chairman: A point of order has been raised by the hon. Member on which, rightly or wrongly, a decision has been rendered by the Chair, and I suggest we allow the hon. Member for Athabasca to continue his speech.

Mr. Bigg: Again it seems to me we bog each other down in these points of order. We have come here to discuss the business of the nation and I am going to try to keep myself on that tack.

I agree with some of these improvements, including the so-called 10 per cent reduction in personal income tax, but had the Minister lowered the basic exemption it would have been much preferable. The whole purpose of income tax, as I understand it, is to seek

the big pocket, and to make it possible for those who do not have enough money to live by the contributions of those who do. If this is our avowed intention, then the proper thing to do is make sure we have a basic living before dipping into it for extraordinary expenditure, and it is only an extraordinary expenditure which should make it necessary for people to dip into their basic living to pay for things which other people need. This may sound a little socialistic, but I call it co-operative living.

With inflation I suggest that anything less than a $3,000 exemption for married couples would not be sensible. I am against moonlighting, but some people say it is perfectly all right if you cannot live on $2,500 a year to get $5,000 by putting your wife out to work. Surely that is not the avowed intention of the Government.

I am pleased with the provision covering improvement of land, but I agree with the hon. Member for Timiskaming that it is an empty gesture toward people living on homesteads, people in the Peace River and Athabasca districts and the outlying northern districts, because the person clearing land there has no income during the time he is doing it.

There should be exemptions for land clearing if a man is clearing land to make himself a better farm and a more productive unit, and I suggest there should be an income tax reduction for the digging of wells, the damming of streams and such things, especially for reforestation as a result of land clearing. I know thousands of acres of land, principally sand hills, where it would be better for people to put it back into evergreens and fast growing wood rather than clear it for farming. Therefore I think the Minister should get together with ARDA people and the farm union people, rather than stepping off in the blind and just making tax reduction gestures. With the proper help farmers can make themselves better farms and preserve the natural resources of the country.

It is probably fair to allow union dues as tax exemptions. It is impossible for many skilled trades people to make a living unless they contribute to a union, and if federal and provincial statutes make it necessary or advisable for people to belong to a union in order to make a living union dues should be income tax free. However, I think we should attach a rider and say when these dues go to the financing of political parties, and are used for political purposes by unions, they should not be tax free. I can see no reason why a good Tory or Liberal should not have his contributions to party funds exempted from income tax, if no such rider is attached to union due exemptions. Unless union dues go into welfare funds or are used for the protection of unemployed workers, they should not be totally exempted from tax.

[Mr. Bigg.]

• (7:10 p.m.)

The paragraph which worries me most, and which has been debated at length this afternoon, is the one concerning freedom of the press. The Minister has said that when this becomes law it will not be abused, and that we are putting up straw men. I say they are putting a tiger's teeth into the head of a sheep. Although the sheep may bleat comfortably and quietly in the fold, how do we know that it may not become a tiger? I would be horrified to think I had helped to pass a statute which put teeth into a provision by which I might myself be torn asunder. Perhaps it makes an amusing picture—someone with democratic ideas fleeing over the hill with an important part of his trousers missing, and the tiger licking his chops.

This is one of the package deals I am supposed to accept because I am in favour of tax exemptions in respect to land clearance, or parts of the ARDA program. Unless we divide this resolution clause by clause I may well find myself, in helping to give the homesteader who digs a well an income tax rebate, voting to restrict the freedom of the press. We accept the freedom of the press in this country without much question. It is our way of life and I suppose we do not think about defending it any more. That is when the thief always comes—when you are asleep. If the Minister is as innocent as he says he is, it is our plain duty to shake him, wake him up and tell him what is in this package deal he is asking us to pass. This resolution reminds me of one of those iced cakes I was speaking about a few days ago, those iced cakes which are full of bitter sawdust. I would not be surprised to find, in view of the Minister's record, that he really is innocent and naïve. He offers us these cakes and he does not even know the icing is thin and the sawdust unpalatable. On other occasions when he has been told about this he has withdrawn, and put a few raisins in there. I beg him to take another look at this resolution and see whether he can take these sour nuts out of the cake and give us those parts which are acceptable to the economy.

Let him not lay the blame on the O'Leary report. The O'Leary report nowhere suggested that pressure should be placed on the press of Canada. Quite the contrary; the report was intended to put up one more peg on which freedom might hang, not to provide rope on which to hang freedom, in the other sense. This Government is too fond of blaming its failures on other individuals or organizations or commissions. If you are looking for weak arguments to back up this type of legislation, somebody may have been reading the gospel according to Kent and Lamontagne. This is the kind of two-headed axe with which they intend to chop down the tree of freedom. This may sound like a florid remark but I do not know how you can expect a man to sit quietly here in the Committee when the press itself is allergic to this proposal, and such notable Whig newspapers as the Winnipeg *Free Press* have openly called the Minister of Finance a prevaricator. We are not allowed to do that in this Chamber, but I am tempted to agree with this florid opinion from that Whig newspaper. It is only open criticism of the Government, apparently, which can bring them to their senses. We are not allowed, under the changed rules, to do it in the House so there is all the more reason why we need a free press to do it.

In recent years I have at times thought Canada was sound asleep—that the people did not listen to what we said, either here in the House or outside it. I began to think the press was only interested in florid stories and would print nothing unless a man criticized his boss or left his party, or something like that. Perhaps it is because this is closer to home that we have heard so much about it. It would be strange if the press of Canada did not come to the rescue of the press of Canada. In this regard I support the views the press has taken. I do not care whether they appear in a Tory paper or a Whig paper or a red paper. The truth is just as valuable, regardless of the editorial policy. I intend to write to the *Free Press* in Winnipeg and say: Bravo! This is a fresh breath of air coming out of Western Canada at a time when it is badly needed.

I do not usually quote poetry. I do not think this is very a poetic situation. But about 100 years ago Alfred Lord Tennyson in England summed it up very well. He was answering a hypothetical question—why he stayed in the foggy old island and put up with the English class system, vested interests and so forth. And he gave the answer in four lines of poetry which have always stuck in my mind. The last two are the punch lines:

> It is a land where girt with friends or foes
> A man may speak the thing he will.

Believe me, if we ever reach the point in Canada where any Government or group of people could control the press of this country you will find me living in the hills, and I will be a very unpleasant customer. As long as a free Parliament stands, I know this: The main peg on which our freedom hangs is freedom of the press. We are going to have it as long as free men live in this country or we shall know the reason why. It is going to take more than a rule book to stop us. If ever there was a filibuster required it should be required until this clause of this particular resolution is taken right out, like a rotten nut out of the same sawdust cake. Then we will not be forced to vote for something we do not like merely because it is wrapped up among certain things we do like.

Mr. Danforth: I wish to speak first of all on the part of this resolution which has to do with agriculture, and I should like to compliment the Minister for having incorporated in these provisions some relief for farmers in respect of two particularly vexing expenditures with which they are often faced, namely, clearing land and laying tile drainage.

It is true that in areas where there is a tremendous amount of work to be done and whole farms have to be cleared there could easily be no income at all for taxation purposes and the clause would not be applicable.

• (7:20 p.m.)

But there are, on the other hand, as is the case in the area that I have the honour to represent, many farms that are covered with small wooded areas varying from 5 to 50 acres, many farms which have pastures which for one reason or another have become overgrown with thorn bushes and are not as productive as they might be. I am sure that this particular measure which exempts expenses incurred in clearing this type of land will be especially beneficial to our farmers. In our area a tremendous amount of land is not drained, and farmers are going to be very pleased indeed to find that their representations over the years in this particular field have at last met with success, and the Minister is granting them this much needed

income tax exemption in connection with expenses incurred in laying tile drainage.

I am particularly impressed with subparagraph (b) which deals with the exemption from income tax of expenses incurred for landscaping property used by the taxpayer for the purpose of gaining or producing income. I hope that the interpretation of this measure will mean that this relief will be available to farmers across our country, because for many years the lack of income or the time of those working the farm has made it impossible to care for lawns and plant the various bushes which are so necessary to make these farms the perfect picture that they might become. If this provision is interpreted in such a way that exempts expenses incurred in landscaping this type of property, I am sure many farms will benefit from it.

Under subparagraph (d) one can deduct from income tax expenses incurred on account of the cost of making representations to a government, municipality or other public authority in connection with a business carried on by the taxpayer, including representations for the purpose of obtaining a licence, permit, franchise or trade-mark. I hope this particular provision will be interpreted in such a way that farmers and businessmen will be able to claim exemption from income tax of any expenses incurred in making representations to government in regard to charges and assessments levied against them. There have been many instances where charges or assessments that have been made against farmers and small businessmen have not been valid. In some instances large expenditures would have been incurred in making these representations and it has been found impossible to make the necessary recommendations. These costs should be allowed to be written off as expenses incurred in the business operation.

Having dealt with that matter, Mr. Chairman, I, too, must turn to paragraph 19, because I think in its present form and the manner in which it has been introduced, it is a deliberate affront to every Member who conscientiously represents Canadians in this House of Commons. After listening to the various speakers who have preceded me it has become increasingly apparent that the smokescreens are rolling away from the course of action taken by the present Government. The various policies and the way in which they have been introduced during the session have made it abundantly clear how the Government proposes to deal with controversial legislation. Mr. Chairman, I listened to the Minister of Finance when he explained patiently to the House of Commons that no government would even conceive of the idea of applying any sort of pressure or control on the news media of this country, even if this particular resolution were adopted. I also heard this Minister explain patiently to the House that our publishers have been consulted and there was no indication of any opposition from those directly concerned with this particular provision. But you can understand, Mr. Chairman, my concern about the credibility of this Minister when, like every other Member of the House, I receive telephone calls and there come across my desk representations in the form of telegrams and correspondence stating in no uncertain terms the strongest opposition to this particular provision.

This seems to be a pattern that is being adopted by the present Government. Here we have a whole series of measures in which is incorporated what we feel to be relief to the people who need income tax relief. We have relief for farmers, for businessmen and for labour. In some instances this relief is very minute, but it is at least a start. Then we have incorporated in paragraph 19 a principle which it is almost impossible to accept, knowing the way this Government campaigns on the election platform. Everyone sitting in the Opposition knows that if we vote against these measures on the basis that we are strongly opposed to controlling the press or limiting the freedom of the press in any way, we would be charged on the hustings with voting against exemptions of income tax and exemptions for expenses for land clearing, tile drainage, union dues and the whole gamut of those things contained in these resolutions. We would be subject to this type of attack on the hustings if we dared to oppose paragraph 19 in no uncertain terms.

I resent most vigorously another picture that is developing, and it is this. We are all concerned about a summer recess. We did not have one last year. We want to get back to our own constituencies; we want to be with our families.

Some hon. Members: Hear, hear.

Mr. Danforth: But the same pattern is developing as developed last year. We are told, "Pass this legislation, or else". We are told that the Government stands or falls on certain legislation. We are told that if we do

not pass this legislation there will be no recess and we will be here all summer. Here we walk between the club and the carrot and are asked to take our choice. This is the kind of action on the part of this Government that I absolutely resent, and I know that every man in the Opposition resents it. We resent the attitude of a government that would not separate this resolution, which they know is contentious in some parts, and let us deal with it in that way, without having to determine how we are going to vote in connection with the whole package because we do not in any way agree with paragraph 19.

This is what has happened time and time again. They take an issue that has public favour and tie it in with something they know the Opposition find very difficult to tolerate. The same pattern is involved here as was involved in the reform of Parliament. What happened? This Government brought in desirable reforms of Parliament which all parties accepted, and then they buried in them the guillotine rule, which gives them control because they can stop our debating in the House. Now they are speaking of control of the press. They hold up their hands in holy horror when we suggest they are trying to control all the segments of this country. When we suggest they might be exercising some control over the C.B.C. we hear them deny this in the most vigorous way. But we have only to look back to see what happened to that great production of the Prime Minister that was made for the C.B.C. We know it is gathering dust somewhere, but we do not know where. Hon. gentlemen say they do not control the C.B.C.; yet the C.B.C. produces the film but could not put it over the air.

• (7:30 p.m.)

Then there is the Canada Pension Plan, which has now been adopted. We received warnings from financial circles that through the Canada Pension Plan governments, be they federal or provincial, or their appointees, could control the tremendous amounts of money brought into the plan, thus giving this Government a great deal of control over all finances in the country. So we have control of the C.B.C., control over finances, and we now see an attempt to control the press.

When is this type of action going to cease, Mr. Chairman? Perhaps now is the time for the Opposition to take a stand and say: No further. The people of Canada expect to have a democracy; they want a democracy. But the actions of this group opposite lead one to think that we are now heading toward a dictatorship. We in the Opposition had been afraid that we were drifting toward a republic. It now begins to appear that we are drifting toward a dictatorship. We must watch what the Government is doing and the actions it is taking. We cannot accept paragraph 19 in its present form and I think the Government knows it. The Minister of Finance has been criticized over and over again for this type of action. The Government as a whole must take the responsibility for such action, not just the Minister of Finance.

I am hoping that the Government will seriously consider the suggestion which was put forward this afternoon by our leader, when he requested that this resolution be withdrawn. In this event we could then proceed into ways and means and deal with these matters in a responsible manner, this particular paragraph having been excluded. I suggest this paragraph was put in deliberately so as to force the Opposition into accepting it along with the other items included with it, thus placing responsibility on our shoulders. This is a deliberate plan to incorporate this disagreeable type of legislation in a honey-coated package, in the hope that the Opposition, either browbeaten or cajoled, will accept it in total.

Paragraph 19 will, I believe, in no way solve the problem to which it is directed but will put the Government in a position where it holds a sword over the heads of the entire press of the nation. But we are not only concerned with the press of this country; we are also concerned with the international press and about the entire picture which actions of this type can conjure up. And we have no guarantee that this is the end. We lost our vacation last year because we found dollar items buried in the estimates. This package deal is the same type of proceeding.

We in the Opposition are tired of these package deals. We think that the Government should stand on their own responsibility and introduce their measures into this Parliament in the way a responsible Canadian Government should, giving the Opposition an opportunity either to support or to vote against them, and to do so conscientiously without being blackmailed in the manner we are here, through the addition of the other items tied into this resolution. I, like all Members of the Opposition, believe that now is the time for the Government, if they are ever going to act like a responsible Canadian Government, to start acting like one and to withdraw this resolution.

Mr. Enns: Mr. Chairman, I do not want to trespass too long on the time of the committee, but I should very much like to make a modest proposal to the Minister of Finance which I am sure he will find reasonable and which will not demand the expenditure of any funds by the Government. However, I would gladly yield my time to him if he would get up and say that he will separate this resolution and make it easier for Members to vote on it paragraph by paragraph, so we can approve those paragraphs we like and vote against those we cannot accept. Surely that makes good sense. It is a businesslike approach and is a way of delineating a complex resolution which cannot find, and certainly will not find, the total acceptance of this House. I know the Minister could do this, and if he really wants to curtail further debate on this resolution that is all that needs to be done. He need only offer to split the resolution into parts or to withdraw paragraph 19 of it.

If I may come to the modest proposal to which I referred, it deals with aid to agriculture which has really been left out of the particular paragraph of the resolution, but which was nevertheless referred to in the budget speech on April 26. The hon. Member for Victoria-Carleton and the hon. Member for Acadia have already referred to the fact that included in the budget is exemption of income tax on money expended on grain storage bins, yet in the resolution we find no reference to it. This is a grave and serious omission in view of the fact that the agricultural industry needs continuing attention. I am pleased to say that it had all kinds of attention from the previous Government, but the present Government seems to be devoid of new plans to aid this important industry.

My supposition—I think it is correct—is that silos, for example, which are used in the developing mechanization of dairy farms to feed dairy cattle, are still subject to a 20 per cent duty when imported from the United States. At the same time farm machinery is exempt from tax. This seems to me to be a contradiction. Both are tools needed in the dairy industry, yet there is a 20 per cent duty on silos and no tax at all on farm machinery.

The suggestion I made in writing to the Minister some days ago was in support of a resolution passed by the Interlake Regional Development Board of Manitoba, which has said that exemptions of capital investment in farm buildings should be applied to all farm structures, not just grain storage bins. I think this would be a tremendous incentive to improve what the Minister of Agriculture has referred to in various speeches across the country as rural slums. He has said that there is a great need to improve farm buildings across the country; and one way of giving an incentive to Canadian farmers, at the same time not costing the Government one penny, would be to make this incentive applicable to the whole structure of farming and to exempt capital cost or depreciation on farm buildings.

The policy of our tax structure these days is getting more and more to be one of penalizing the progressive. We can improve conditions, not just of farms, if we provide the kind of incentive of which I speak.

• (7:40 p.m.)

In discussing the whole question of silos and grain storage there is a very remarkable difference between the taxation experience of our farmers, and that of farmers in the United States. In regard to silos again, since I want to make my point in this way, United States farmers have the benefit of a capital allowance plan whereby the cost of farm buildings can be depreciated in four years. In other words, they are allowed a depreciation of 25 per cent per year. Our farmers are allowed a 2½ per cent per year depreciation allowance, or capital cost allowance, so that it takes them 40 years to write off the cost of buildings which probably become useless to the farm operation in 10 or 15 years. In fairness to these farmers I think that this injustice should be corrected.

Another feature of the tax laws in the United States which appeals to me, is that feature which allows companies to build storage bins and silos and charge a rental for seven years, at the end of which time they sell them to the farmer for $1. This feature does away with capital cost allowances and depreciation.

That illustration clearly indicates that we in Canada are behind in our methods of providing incentives to the development of better and improved farms. I make the plea to the Government to remove entirely the duty on silos, and to change the capital cost allowance or depreciation rate on farm buildings from 2½ per cent per year to 25 per cent per year, allowing farm buildings to be written off in a four year period.

When I commenced my remarks I suggested that the proposals I intended to make were moderate and would not cost the Treasury any money at all, but would provide marvellous

incentives to our farmers, so that perhaps by the Centennial year the rural scenery in this country would be vastly improved. I could perhaps have followed up the excellent comments made by various other Members of the Opposition parties in respect of other paragraphs of the resolution but, as I intended, I have confined my remarks to those two subjects I have mentioned. I draw these remarks sincerely to the attention of the Minister, and I hope he will give them some serious consideration.

Mr. Cameron (Nanaimo - Cowichan - The Islands): Mr. Chairman, while I must certainly subscribe to the views of the two speakers who preceded me in regard to the evil practices of governments presenting us with package deals, I must say that I am always impressed by the ability of parties in opposition to peer past the mote in their own eye to see the beam in the Government's eye, when the Government follows the same practice that they followed when they were in office. I suggest this is merely an example of that which Acton suggested: All power corrupts. We can be thankful that this is a minority Government in view of the fact the Minister of Finance is not likely to obtain absolute power and thereby become absolutely corrupt.

One of the favourite parlour games of Members of the Opposition, particularly in this Parliament, is to examine all the possible fluctuating fortunes of Members of the Privy Council on the other side within the framework of the Liberal Party, and what position of any Member of the Privy Council excites more interest than that of the Minister of Finance? The question of the day very often is: Is Walter up or is he down? Speaking personally, I may say I am always rather cheered when I see evidence that perhaps he is up, and I feel a little depressed when I see evidence that perhaps he is down. I would not want anyone to think that this means too much more than that he is the best of a bad lot.

I am impelled to speak tonight, Mr. Chairman, because of a remark the Minister made when my colleague, the hon. Member for Port Arthur, introduced an amendment to the notorious paragraph 19(a) of this resolution. At that time you will recall that the Minister said he had great sympathy for the purpose behind that amendment. This is interesting to me because I had come to the conclusion that, since the Minister had seen fit to make a special exception of two periodicals, he is a secret *Time* magazine addict, or is accustomed to taking *Reader's Digest* to bed with him in order to gain the benefit of the ersatz culture of that magazine, which I find rather a despondent situation. His comment implies that he has great sympathy with the idea that this should not have been done, and we are forced to ask ourselves why it was done when this responsible Minister apparently felt unable to bring such a resolution before the House, and that he had to make this special exception for *Time* magazine and *Reader's Digest.* If this was not done because he has some love for those periodicals, there must be some other reason. I can only suppose that, unlike Jacob wrestling with the Angels of the Lord, the Minister of Finance wrestled and was thrown by some emissaries of the devil, who insisted that the two magazines should be subsidized by the taxpayers of Canada to further debase the intellectual standards of the people of Canada.

I wonder whether, in view of that evidence that the Minister lost out in this action, he wanted to do a worthy act but was not allowed to do it; because he has told us he has sympathy for the purposes of the amendment, but by his actions has indicated that he was unable to produce any concrete action to carry his sympathy into fact. I suppose we will now be told that he is planning, as he has told us he was going to plan, some other way of curbing these two rather pernicious periodicals.

On April 26 of this year as recorded at page 435 of *Hansard* the Minister said this, in the course of his budget speech to the House:

> —nor will advertising in the two small foreign-owned weekly newspapers already being published in this country. The question of the subsidized postal rates now enjoyed by the Canadian editions of non-Canadian periodicals will be studied as part of a general review being made of postal rates.

I presume part of that general review will also entail a very careful redefinition of what constitutes a Canadian publication. Had it not been for the fact that the Minister has by his actions admitted that he was unable to persuade his colleagues to withdraw the subsidy for *Time* and *Reader's Digest,* one might be quite hopeful that he was actually going to do something about the postal rates now enjoyed by those two foreign publications.

• (7:50 p.m.)

We have to consider two things. Has the Minister any assurance to give us that he is going to prevail over the forces of evil among his colleagues and solve this problem, which

he was not allowed to do in the obvious way of doing it, or has this been merely a little carrot he was holding before us, suggesting that if we pass the iniquitous paragraph 19(a) he would try to do by the back door what he was not allowed to do by the front door? It seems to me we need some assurances from him that these words of his on April 26 had some meaning and were not just a meaningless gesture toward the recriminations he was likely to receive when the House realized that once again the Government of Canada was not prepared to deal with these two publications. It is a fact that this Government is not any more courageous than its predecessor in office, which contented itself by appointing a Royal Commission and letting the matter drop. Nothing was done as a result of that Royal Commission and Senator O'Leary's work went up the chimney. This present Government is in no better shape. I think that the night before last the Minister, perhaps having been somewhat irritated by the remarks of my colleague, the hon. Member for Port Arthur, may have gone a little further than he would have done otherwise when, rather like a rooster on a dung-heap, he jumped and flapped his wings and said that the Government would stand or fall on the position of *Time* and *Reader's Digest*. It seems an astonishing thing to me for the Government of Canada to be prepared to stand or fall on the maintenance of the position of these two disreputable periodicals. It seems an astonishing thing that the Government, in the words of the Minister, is prepared to stake its life in order to provide special favours at the expense of the taxpayers to support these two extremely deplorable publications which we can well do without in Canada and which at least we should not subsidize to the detriment of Canadian periodicals, Canadian identity and Canadian public life as we are doing today.

I would hope that the Minister would reconsider his rash statement of the other night and subtract from his income tax resolution this sorry business of providing special privileges for periodicals for which he says he has no sympathy.

The Deputy Chairman: Shall the resolution carry?

Some hon. Members: On division.

Resolution agreed to, on division.

The Deputy Chairman: Shall I report the resolution?

[Mr. Cameron (Nanaimo-Cowichan-The Islands).]

Some hon. Members: Agreed.

The Deputy Chairman: The Committee will now proceed to the consideration of the Customs Act resolution.

THE CUSTOMS ACT

Resolved, that it is expedient to amend the Customs Act by:

1. Striking out subsection (1) of section 22 and substituting the following:

22. (1) Unless the goods are to be warehoused in the manner by this Act provided, the importer shall, at the time of entry,

(a) pay or cause to be so paid, all duties upon all goods entered inwards; or

(b) in the case of goods entered in accordance with the terms and conditions prescribed by regulations made under subsection (3), present in respect of the duties upon such goods a bond, note or other document as prescribed by such regulations;

and the collector or other proper officer shall, immediately thereupon, grant his warrant for the unlading of such goods, and grant a permit for the conveyance of such goods further into Canada, if so required by the importer.

2. Adding to section 22 the following subsection:

22. (3) The Governor in Council may make regulations prescribing

(a) the terms and conditions upon which goods may be entered into Canada free of any requirement that the importer shall, at the time of entry, pay or cause to be so paid all duties on the goods so entered inwards; and

(b) the terms and conditions of any bond, note or other document presented upon the entry of such goods in respect of the duties thereon.

3. Striking out subsection (1) of section 35 and substituting the following:

35. (1) The value for duty of goods imported shall be determined in accordance with the provisions of sections 36 to 41A.

4. Striking out all that portion of subsection (2) of section 35 preceding paragraph (a) and substituting the following:

35. (2) In this section and sections 36 to 41A, with reference to any goods,

5. Adding immediately after section 37 the following section:

37A. Where the Governor in Council is satisfied, on a report from the Minister, that the application of subparagraph (i) of paragraph (e) of subsection (2) of section 36 or subsection (3) of section 36 is inequitable in that it results in discrimination against the importation of goods of a class from any country, as compared with the importation of goods of that class from any other country, the Governor in Council may prescribe the manner in which the value for duty of goods of that class, as determined under section 36 or 37, shall be reduced; but the value for duty of any imported goods upon being reduced as provided in this section shall not be less than an amount equal to the cost of production of the goods plus such amount for gross profit as is deemed reasonable by the Governor in Council.

6. Adding immediately after section 41 the following section:

41A. In the case of any imported goods that

(a) were shipped indirectly to Canada from the country of origin through one or more other countries; and

(b) would, but for this section, be valued for duty under sections 36 to 40B at less than the value for duty of such goods would be if the country of export were the country of origin;

the goods shall, nothwithstanding subsection (1) of section 36, upon such terms and conditions as to shipment, documentation, warehousing, transshipment or the like as the Governor in Council may prescribe, be valued for duty as if they were imported direct from the country of origin at the time they were first shipped from that country.

7. Striking out section 79 and substituting the following:

79. Subject to subsection (1) of section 22, no person shall make, nor shall any officer accept, any bond, note or other document for the purpose of avoiding or deferring the actual payment of duties legally accruing on goods imported into Canada, or arrange for deferring payment of such duties in any way, unless such goods are entered for warehouse, and duly deposited therein according to the laws and regulations governing the warehousing of such goods.

8. Adding to section 104 the following subsection:

104. (1a) Where goods, the property of the government of a country other than Canada, that were imported into Canada free of duty or at a rate lower than that to which they would otherwise be liable, are sold or otherwise disposed of on behalf of the government of such country in accordance with an agreement between the governments of such country and Canada, such goods shall be charged with duties payable at such rate as may be determined by the Minister.

Mr. Lambert: I take it that we are on the Customs Act resolution and is the Minister not going to make an opening statement?

Mr. Gordon: I will be glad to make a very short statement, Mr. Chairman. I do not think there is anything in particular in this resolution to which I need to draw the attention of hon. Members of the Committee. It does provide for certain relief in the case of British exporters. As my hon. friend knows, the British have felt for some time that they have been under a disadvantage in their efforts to export to Canada. I was in London in July of 1964 and on that occasion I said that we would look into the matter and if we felt they were justified in their complaints I would suggest certain changes at the time of the budget.

We did review this matter and we felt, particularly in view of the difficulties that the British have been having lately, that some changes should be made in the administration of the Act. If it meets with the approval of the Committee, I should like to call on my colleague, the Minister of National Revenue, who administers the Act, to continue the explanation.

Mr. Benson: Mr. Chairman, during his budget speech on April 26 my colleague, the Minister of Finance, announced several proposed changes in the Customs Act. Two of the proposals deal with matters raised by the Auditor General relating to practices followed by the Department of National Revenue in releasing goods under bond and in assessing duties and taxes on foreign Government owned surplus goods disposed of in Canada. The proposed changes will implement the recommendations made in this connection by the Standing Committee on Public Accounts.

The third proposal deals with the discriminatory effect which the valuation provisions of the Customs Act have on certain compact countries, which matter has been brought to our attention by the British. The fourth point relates to a situation which is regarded by Canadian manufacturers as a loophole in the law in that in certain circumstances foreign exporters are able to avail themselves of lower values for duty than would normally be the case simply by altering the route of shipment to Canada. The proposed change will remedy this situation. The fifth change which is proposed in the Customs Act is a consequential one in numbering resulting from the introduction of the new section which I have just described.

Mr. Lambert: Mr. Chairman, in examining the various paragraphs of the resolution to amend the Customs Act perhaps I might be permitted in my general remarks to comment on each paragraph as I go along. There may be other Members of the Opposition who will then wish to comment on individual paragraphs. I should like to make a suggestion, Mr. Chairman, to avoid the confusion in discussion which arose on the last resolution. After the Minister and one representative from each of the parties have had a general go at the resolution I suggest that the discussion be limited to the paragraphs seriatim. I think this will create some continuity of discussion.

I trust I have made my point clear, Mr. Chairman. With regard to the nature of our discussion I suggest that after a ministerial statement and a general statement by a spokesman for each party the discussion should then be limited to each paragraph seriatim in order to avoid the going forward and then coming back in which we engaged during our discussion of the last resolution. I think this will make for better continuity in our discussion.

Mr. Benson: We have no objection.

Mr. Lambert: That is standard procedure. So far as paragraph 1 is concerned, its pur-

pose is to provide what one might term administrative ease for the benefit of both the Government and the importer. I do not think it causes any undue difficulty and it is related to paragraph 7 which is consequential upon paragraph 1.

However, when I come to paragraph 2, which adds a subsection to section 22, I am reminded of a certain debate that took place in 1961 when the Government of the day proposed to introduce ministerial discretion with regard to the Customs Tariff Act. At that time there was a great holler and to-do from those then on this side of the House. I can remember the Minister of Transport, the Secretary of State for External Affairs, the President of the Privy Council, the Minister of Mines and Technical Surveys, crying to high heaven for days that the proposed action was arbitrary, that here was another case of ministerial discretion. They did so even though the late Member for Digby-Annapolis-Kings, then Minister of National Revenue, indicated that under the Customs Act and the Customs Tariff Act there were only 60 instances where the Minister was given discretion. I find this proposal passing strange in view of the fact that members of the present administration objected, objected and objected again when they were in the Opposition at that time. If ever there was an opportunity or, shall we say, an encouragement to apply the guillotine, it was on that occasion. Every possible step in the rule book was used to try and block the legislation in the House, and then of course it was blocked in the Senate.

• (8:00 p.m.)

Personally I think the Opposition may have had something on that occasion, but a position had been taken that there had to be the exercise of ministerial discretion in class or kind, without appeal. From an administrative point of view that was absolutely right, but from a public point of view there were objections. When we come to paragraph 5 of the resolution I am going to indicate to hon. Members that here we have an introduction of ministerial discretion without real appeal, notwithstanding all the fine words that may appear in the proposed paragraph, and the methods of appeal which follow in the act.

It states that the "Governor in Council may make regulations prescribing...." That is ministerial discretion, and in the exercise of ministerial discretion there is no appeal to a court because no court will substitute its discretion for that of ministerial exercise of discretion. This is an old axiom of law, and it is only those people who are not versed in law who may believe a court will substitute its discretion for that of ministerial exercise of discretion. This is an old axiom of law, and it is only those people who are not versed in law who may believe a court will substitute its discretion for that of a minister if it is properly exercised.

Paragraph 3 reads:

The value for duty of goods imported shall be determined in accordance with the provisions of sections 36 to 41A—

But sections 36 to 41A are nothing but ministerial discretion all the way through. We may agree with what the Government is trying to do, but we quarrel with the way it is trying to do it.

Paragraph 5 reads:

Where the Governor in Council is satisfied, on a report from the Minister, that the application—

This establishes valuations, and the Minister of National Revenue cannot tell me where there is going to be any right of appeal, because following section 37 of the act we come to the sections, starting with No. 41, dealing with appeals to a Dominion Customs Appraiser, one of the Minister's officials.

Is he going to upset the Minister's opinion in the report that is furnished to the Governor in Council? From the Dominion Customs Appraiser it goes to the Deputy Minister. From the Deputy Minister it may go to the Tariff Board, and from the Tariff Board to the Exchequer Court on a point of law—not valuation, not discretion. I defy the Minister to tell me where, in the provisions of 37A, there can be any exercise of law. It is entirely a matter of judgment.

The Governor in Council is possibly one of the highest authorities in the land. Are we going to be led to believe that a Customs Appraiser is going to upset its valuation on an appeal from a competitor? This is to assist not only British goods but others. The terms are general but the valuations are important to people who may be exporting to Canada from other countries. They have a vested interest in these valuations, and so do Canadians.

The Minister of Industry is going to be interested so far as Canadian automobile manufacturers are concerned. Is a Dominion Customs Appraiser going to vary a valuation established by the Governor in Council on recommendation of the Minister? Let us not be nonsensical. Is the Deputy Minister going to do it? The Tariff Board might, but the chances are awfully slim.

Let nobody tell me they are going to go to court. Why, there is not a bit of law to

be exercised at this point and, recalling from memory, the act specifically states under section 43 or 44 that there lies an appeal to the Exchequer Court on a point of law. In other words, it is not a blanket appeal from the decision, yet these were the people who cried to high heaven in 1961 about the exercise of ministerial discretion without appeal. But if you know your Act, if you understand the workings of the Customs Act—not the Customs Tariff Act—you will note that this is the same thing. Plus ça change, plus c'est la même chose.

I trust some of my colleagues took note of some of the things said by the Minister of Transport. He stood over here on this side and waxed most indignant. It was something to behold. This was the traducing of all that was fair and aboveboard and right in this country. This was a denial of democracy. This was a denial of the rights of law, that a Minister should have the right to determine a value without appeal. Now these self-same people come to us and say that the Governor in Council can be satisfied on a report from a Minister. This makes a nonsense of what they said and did.

It will be very instructive to see what the majority of the Government party in the other place does on this occasion. Will it block the legislation? On that occasion it saw fit to block it. I wonder whether their consciences are going to be so tender this time. Is the conscience of the Government going to be so tender, and are its backbenchers going to swallow this?

Mr. Benson: I hope the hon. Member has noted that the proposed amendment to section 37A says that "the Governor in Council may prescribe the manner in which the value for duty of goods of that class, as determined under section 36 or 37, shall be reduced". The Governor in Council has the right to reduce the value, not to increase the value, as was proposed by the legislation which my hon. friend was supporting when his party was in power.

Mr. Lambert: Under the Customs Tariff Act it was not a case of increasing values. It was a case of determining values, and regardless of the words, this means that the Governor in Council is going to fix the value.

Mr. Benson: Reduce.

Mr. Lambert: The Minister says reduce, but reduce to what? It is still a value. It comes to a determinate figure, which is the value for import purposes. I do not care how the Minister wishes to slice it, it still comes out as bread whether it is cut on the length or the breadth. It still comes out as value.

• (8:10 p.m.)

The Minister insists that this does not provide for the values to assist British and other imports in the event that there may be some technical contravention of dumping legislation, but this is a provision whereby the Governor in Council may circumvent our dumping legislation. This is all that the British have been complaining about. Our dumping legislation establishes a value. It sets out criteria. This provision allows the Governor in Council to devise criteria—to arrive at some other value. But there will be a value and that value is not the subject of appeal. It cannot be, because the appeal provisions make nonsense in relation to a decision by the Governor in Council. I do not disagree with what the Minister is trying to achieve. This is not a new problem; it has arisen under previous administrations. What I am quarrelling with is the method adopted and the sanctimonious attitude of the Minister's colleagues in 1961 when they objected to the same sort of procedure.

Mr. Benson: You were not reducing values.

Mr. Lambert: It is a setting of values. The Minister can argue that reducing values is not a setting of values. What is the difference? Under the Customs Tariff Act the Minister was given authority to determine that a class of goods was of a class or kind not made in Canada. It need not have any value, even. Now the Minister intends to ask us to agree to a provision reducing a value to another value. Again, what is the difference? You are making a final decision from which there is no appeal. I am sure the Minister recollects that in 1961 his colleagues did not object to the Minister determining that goods were of a class or kind not made in Canada. The great objection was, so they said, that there would be no right of appeal. I am not quarrelling with the Minister's setting the values or determining the criteria upon which values are to be set. What I am quarrelling with is the fact that he is not providing for an appeal. Either Members opposite meant what they said in 1961 or it was a hollow mockery. And I prefer to believe the latter.

There is not one iota of an appeal that is meaningful in this regard. With regard to the words I am about to read I should like the Minister to tell us exactly what goods may be affected. For the benefit of hon. Members of

the Committee I intend to read section 104(1a) in toto.

Where goods, the property of the government of a country other than Canada, that were imported into Canada free of duty or at a rate lower than that to which they would otherwise be liable, are sold or otherwise disposed of on behalf of the government of such country in accordance with an agreement between the governments of such country and Canada, such goods shall be charged with duties payable at such rate as may be determined by the Minister.

I understand these are goods which are brought in either duty free or at some lower rate because they belong to a government of a foreign country. For example, they might be bulldozers or other machinery brought into Canada by the Government of the United States. If they had been used for a while they could be brought in at a lower rate and that rate could be zero. I mention bulldozers, but these may already be subject to no duty at all; I may be wrong in my classification. But there are categories of goods which are disposed of by the government of a foreign country and in respect of which the Minister may determine the rate of duty at the time of disposal. This is, of course, the exercise of ministerial discretion. This is nothing new under the Act. As I say, it exists in over 60 places in the legislation. This merely provides for further discretion, I am not worried about that. What I am worried about is the change of mind or conscience on the part of the hon. gentleman's colleagues since they were on this side of the House. "Encore plus ça change plus c'est la même chose." I should like the Government to tell us precisely the type of goods which the Minister envisages—whether it is furniture in embassies, or something like that, or goods meaningful in volume. He may answer when he is dealing with the questions asked not only by myself but by other Members of the Committee.

As I have said a number of times, this is a further introduction of ministerial discretion. Without the Act before me I cannot see how anyone can appeal against a decision in this regard. This section 104 may be related to the sections which are headed "value for duty" by cross-reference. If so there would be appeals to the Customs Appraiser, etc. I will have an opportunity to look at that later. What I am primarily concerned about in this section is not what it attempts to achieve but the manner in which the intentions of the Government are carried out. I would simply say that I believe a lot of the things which were said in 1961 by some of the Minister's present colleagues were nothing but pure sham and hypocrisy.

Mr. Benson: Would the hon. gentleman permit a question? I believe he was a member of the Public Accounts Committee.

Mr. Lambert: No.

Mr. Benson: I believed the hon. gentleman was, in which case he would know, with respect to the amendments to section 104 that they are specifically as recommended by that Committee.

Mr. Lambert: Thay may be so. I am not a member of the Public Accounts Committee. I have enough to do without being on that Committee.

Mr. Hales: In joining this discussion on the customs tariff I should like first of all to substantiate what my hon. friend from Edmonton West has said regarding ministerial discretion. My attitude toward this is well known. I recall very clearly what happened in 1961 and the position the Liberal Party took during the debate at that time.

I should like the Minister to explain to the committee how section 37A would operate in connection with the importation of cherries into Canada from the United States, and what value for duty would be established. The season is fast approaching and Canadian cherry producers will suffer severe competition unless some protection is given to them either through import duty provisions or by means of the stabilization act. Possibly the Minister has some observations he can make in this regard.

• (8:20 p.m.)

It was simply a case of the American Govvernment moving in a great quantity of dirt-moving machinery that was made in my constituency. This machinery was sent to help establish an American base in Canada. When they had established the base, in accordance with a deal made between the Liberal Government of this country and the American Government the machinery would be thrown on the Canadian market for auction and Canada would be paid 10 per cent for its work in selling the machinery.

The Minister has improved this situation slightly by saying that when this second-hand machinery is sold it will be charged with the duty payable at such rate as may be determined by the Minister. But what rate will be determined by the Minister? This is wide open. The Minister might say, "It is free;

there is no rate on it"; or he might say, "It is at just half the regular rate". It leaves the matter wide open for graft and patronage, in my opinion, because of the way it is set out in the amendment. I would suggest to the Minister that this rate should be the same as would be applicable if that machinery had been imported into Canada by a private individual.

Mr. Fisher: Mr. Chairman, there are two pieces of information I would like from the Minister. It would not be necessary if he had given a long, detailed explanation when this was introduced, but I do not think he did. One of the questions I would like to ask the Minister is this. Why is it not possible under section 37A to give some indication of a percentage in terms of the gross profit? The reason I ask is that it seems to me that if this clause is designed to assist the British, for example, coming into the Canadian market, the people shipping into the market would be prepared to give some cost figures in regard to production, and then would come the really controversial point as to what was the profit picture. Almost all the British automobile manufacturers, for example, are world-wide agencies to the degree that the manufacturing organizations are in a sense in many cases American subsidiaries. I do not know how you go about tracing profit, and matters like that, in such a situation. That is why it seems to me that if you just leave it as "such amount for gross profit as is deemed reasonable by the Governor in Council" it will, as was pointed out earlier, give a great opportunity for free play. I would like the Minister to tell me why it could not be a figure like 4 per cent, 7 per cent, or something like that.

Mr. Benson: Mr. Chairman, perhaps I could deal with the questions that have been raised. First of all dealing with the questions raised by the hon. Member for Edmonton West, of course the matter of the valuation of the particular quantity of goods imported into Canada is always a matter of fact, and a matter which the Dominion Customs Appraiser and the people in my Department try to establish very carefully. I am informed that in connection with the proposed amendment to Section 37, namely the addition of section 37A—which was the section to which the hon. Member objected—there is an appeal by the Canadian manufacturer if there is the belief that the value established is lower than the cost of production, plus a normal gross profit.

At this point, Mr. Chairman, I might deal with the question raised by the hon. Member for Port Arthur.

Mr. Douglas: Is there any right of appeal by the importer?

Mr. Benson: The appeal is by the person in Canada, the affected industry in Canada.

At this point I might very well deal with the question raised by the hon. Member for Port Arthur with regard to the establishing of the amount of gross profit. The valuation which is placed upon the goods may not be less than the cost of production plus gross profit. I do not think it is possible to transscribe into legislation what figure of gross profit should be applied in various industries, because from my experience as an accountant before coming to this House, the amount of gross profit varies a great deal depending on the type of industry concerned.

I should perhaps at this point go back and deal with the various matters raised by my hon. friends opposite. I notice, first of all, that the proposed amendment with regard to bonding was not raised as a factor by any hon. Member. The changes here are changes that were recommended both by the Auditor General and the Public Accounts Committee. So perhaps I need not deal with those any further. I will go on to deal with the proposed section 37A, which was the main point raised by the hon. Member for Edmonton West. As I mentioned in his absence I have been informed by officials of my department that under section 37A there is the right of appeal if the value which is established by the Minister under this section is lower than the cost of production plus gross profit. In that case a Canadian producer can appeal this matter; I have been informed.

Mr. Lambert: To whom?

Mr. Benson: He can appeal to the Exchequer Court.

Mr. Lambert: The Minister is aware of section 45 of the Act. It is a point of law, in his opinion?

Mr. Benson: The opinion of the officials of my department is that it is.

Mr. Lambert: You speak as an accountant, not as a lawyer?

Mr. Benson: Yes, I am not giving a legal opinion. Section 37A is being added mainly because of the different methods of distribution that exist in a compact country such

as Great Britain, and exist in Canada. Section 36 specifies that the value for duty of imported goods shall be the fair market value of like goods when sold for consumption in the country of export under the conditions which are laid down in the section. Under subsection (3), if an exporter is selling to a wholesaler in Canada, while in the home market he sells only to retailers, the value for duty is based on the price to such retailers. Subsection 2(e) (i) provides that if the quantity shipped to Canada is larger than the largest quantity sold for home consumption—that is, in the country of export—those quantities shall be deemed to be the same quantities in determining the value for duty.

The British claim that in certain cases the operation of these two provisions discriminates against the United Kingdom exporter in favour of exporters in other countries. Because of the geographic size of the Canadian market, the lines of distribution in Canada are often longer than in compact countries such as Great Britain. In Canada, for example, goods may pass in turn from the manufacturer to a wholesaler, to a retailer and finally to the consumer, while in Britain the manufacturer often sells to the retailer. Hence the British argue that while they sell in Canada to the same trade level and in similar quantities as, for example, American exporters, the British must, because of the combined effects of section 36 and the anti-dumping law, price their goods as if they were selling in the much more compact British market to a lower level of trade and in smaller quantities. This has raised the value of their goods being imported into Canada. They are thus hard put to compete with other exporters who, because their domestic market is similar in structure to the Canadian one, are allowed to claim trade and quantity discounts denied the British in establishing value for duty under the present law.

In effect, the existing legislation discriminates against certain countries by imposing a higher valuation base than would be obtained if market conditions in those countries were similar to those in other exporting countries. Not only are ordinary duties assessed on the higher values, but in respect of goods of a class or kind made in Canada exporters are prevented from reducing their prices to competitive levels by the threat of our anti-dumping duty.

[Mr. Benson.]

• (8:30 p.m.)

The proposed new section 37A provides authority to remove these inequities to provide for lowering of values of British goods coming into Canada, while at the same time retaining sufficient safeguards against unfair prices—that is, that there will not be wholesale dumping by people selling in Canada at prices lower than their cost of production, plus the normal gross margin in the trade.

The application of the section will not, of course, be limited to Britain but will also be available to other countries against which the present legislation discriminates. The intention of section 37A is to be relieving. I could inform hon. Members that in discussions which my officials have had with British officials they are very pleased that we have introduced this particular legislation in order to assist them and other such countries in the valuation for duty which is placed on their goods coming into Canada. There has been a very warm reception by the British Board of Trade and the British Government of this particular amendment to the Customs Act.

The other main question which was raised was that raised by the hon. Member for Edmonton West and the hon. Member for Wellington South with respect to section 104 (1a). I can tell my hon. friends that this does not apply with respect to cherries. I remember very well, when the cherry producers last year were in great difficulty, that our eminent Minister of Agriculture, in consultation with his other colleagues in the Cabinet, came to the aid of the cherry producers in a manner that has never happened before under any Government in Canada's history, and the cherry producers were very well treated last year.

Mr. Pugh: I wonder whether the Minister could at this point state under what authority payments were made to the cherry growers of Canada.

Mr. Benson: These were payments allowed the Department of Agriculture under the farm stabilization act.

Mr. Lambert: That was legislation enacted by the previous administration.

Mr. Benson: Even I admit that some little pieces of legislation passed by the previous administration were good. They provided the instrument and we took advantage of it.

Mr. Starr: Do not be so modest.

Mr. Benson: In regard to section 104 (1a), the proposed new subsection is designed to give authority to a practice which has been followed by the Department of National Revenue for some time now, both under the previous Government and the present Government, and which would be consistent with the general responsibility for appraisal imposed by the Customs Act and the Customs Tariff. The subsection is intended to deal particularly with disposal in Canada of surplus United States government property, such as equipment used in joint defence installations. Much of this equipment was originally imported free of duty and taxes under appropriate authority, such as tariff item 708, being the property of the United States government. However, when subsequently sold in Canada the goods became liable to the payment of duties in accordance with subsection (1) of section 104 of the Customs Act.

Over the years the Canadian Government has been a party to an agreement with the United States Government providing for the sale in Canada of certain United States surplus goods by an agency of the Canadian Government, namely Crown Assets Disposal Corporation. Under the terms of the agreement the selling price of such goods to the Canadian purchaser is deemed to include duties and taxes. Crown Assets Disposal Corporation remits a certain percentage of that selling price to the Department of National Revenue as representing the duties and taxes applicable. This percentage is a composite rate based on the average rate of duty, and taxes paid on imports from the United States.

Again I reiterate that this has been the practice over a good many years and was a question raised by the Auditor General and discussed by the Public Accounts Committee. Such a composite rate representing both duty and tax is thought to be a logical expedient in view of the special circumstances relating to the disposal of the surplus goods in question. Under normal conditions imported goods are presented to qualified customs officers who have facilities for rating and valuing in accordance with the law. However, the United States surplus goods are often located in remote and inaccessible areas such as D.E.W. line sites in Labrador and the far north of Canada. In addition, a great variety of goods is involved. This combination of circumstances makes it practically impossible to appraise the goods in the normal way without undue expenditure of public funds. That is to say, the cost of sending Customs Appraisers to go and look at the goods disposed of would be far greater than the amount of maximum additional revenue which the Department of National Revenue could realize from such an appraisal.

During the past year the Department's practice was studied by the Standing Committee on Public Accounts. The committee in its eighth report to the House on December 7, 1964 recognized the practice as being sensible and practicable.

Mr. Simpson: Would the hon. gentleman permit a question. When these goods are being disposed of interested bidders are provided with a comprehensive listing of all equipment item by item. Therefore, is it necessary to have inspection of this equipment which is being disposed of, which in many cases the bidders themselves have difficulty seeing?

Mr. Benson: If one is to consider disposal of used equipment in the far north of Canada, Canadian Customs Appraisers must not only value the goods according to their description but also according to their condition. It had been decided by the previous Government which my hon. friend supported in this House that it is much better to establish a composite rate of duty and apply it to the goods, rather than have Customs Appraisers trail off into the far north, look at the goods and try to establish the value; and the Public Accounts Committee and Auditor General have agreed with this.

However, the Public Accounts Committee did recommend that an amendment be made to the Customs Act or to the Customs Tariff to provide a statutory authority to establish a composite rate to be applied to the proceeds of all sales in Canada of United States government property by Crown Assets Disposal Corporation. All we are talking about is the rate of duty which we apply; and it was recommended by the Auditor General and decided by the Public Accounts Committee that such composite rates should be established by statute, which is exactly what we are trying to do by section 104 (1a).

Mr. Hales: Just one question in this regard, and I apologize for displaying ignorance. Was it the fact that previously the full rate of duty was applicable to second hand machinery?

Mr. Benson: As I understand the situation and have been informed by my departmental officials, for many years, dating back through the administration of the previous Government, the entire term of the Government

previous to it, and some time before that, a composite rate of duty was used. All we are trying to do here is to establish statutory authority to legalize what has been done in these situations.

• (8:40 p.m.)

Mr. Doucett: Do I understand the Minister to say that when a machine is sold the duty is charged on the equity left in the machine? Suppose it was half worn out, would 50 per cent of the duty be charged, or is that arranged before it is handed over to Crown Assets or whoever sells it?

Mr. Benson: No. What has happened in the past is that a composite rate of duty on like goods has been established and applied to all goods being offered by Crown Assets Disposal Corporation, and that amount reverts to the Department of National Revenue.

Mr. Douglas: I merely want to ask the Minister a question about the proposal made by the hon. Member for Port Arthur. I think 37A will be greatly improved, from the standpoint of British importers who have suffered serious discrimination in the past, particularly with reference to the import of cars. I think some provision like this is essential to meet this discrimination which they have suffered. The Member for Port Arthur, however, was asking the Minister whether it would not be possible to tie this down a little better, because it says only that the Governor in Council can set an amount equal to the cost of production of the goods plus such amount for gross profit as is deemed reasonable by the Governor in Council. I recognize the Minister's point that you cannot set a specific profit or value of profit margin, but would it be possible to either set a maximum, which would be the cost of production and not more than X percentage of profit, so as to prevent the Governor in Council from adding to the cost of the production of machinery a profit that was so unrealistic that the discrimination could actually continue; or if that is not practical, could the importer have some right of appeal, such as the manufacturer in Canada now has so that he might show that his gross profit was nowhere near the amount that was suggested by the Governor in Council?

Mr. Benson: First of all, I should indicate that this last provision of the Act goes back to the minimum values which anybody can place on anything which is coming into Canada, or being exported to Canada and sold in this country; that is, the cost of production plus the normal gross margin in the country in which it is produced. This gets back to the absolute minimum amount of value that can be placed on any goods that are imported into Canada, without being subject to dumping duty. So the values established for goods coming in from other countries would not ordinarily get back to this cost of production plus gross profit.

This is the argument that the British people have been placing before the Canadian Government, that because their lines of distribution are much confined in that country and they frequently sell manufacturer to retailer, we should vary this system in order to put them in a comparable position with other countries which have lines of distribution such as Canada, where the goods may pass from manufacturer to wholesaler to retailer.

Really the question that is raised is a question of minimum valuation, which is the minimum valuation as I understand the situation under the whole of The Customs Act. The minimum valuation that one can arrive at is the cost of production plus the normal gross margin. This is not arrived at by my Department arbitrarily. If a question is raised with regard to value of duty, an officer of my Department looks into the actual cost of production and gross margins in that particular industry in the particular country. I do not think one could establish arbitrarily by law a gross margin that would apply, because if one takes a look for example at the jewellery industry, and I mention this only as an example, he might find a high gross margin, such as 100 per cent of cost. If one takes a look at other sorts of production in different countries, he might find that the gross margin is only 10 per cent. The fair way is to look at the particular industry in the particular country and apply the gross margin to the particular industry that is involved.

Mr. Douglas: Does the Minister think the right of appeal is impracticable?

Mr. Benson: Well I did mention this, but I will repeat it. I am not going to give a legal opinion, as I am not a lawyer; but in regard to section 37A my Department officials have indicated to me that the right of appeal is on the side of the importer, or the person in Canada who is being affected in this regard.

Mr. Douglas: But there is no right of appeal for the importer who may feel that the Governor in Council has estimated too high the gross profit, with the consequential result that the valuation for the purposes of duty is much higher in his opinion than it should be.

Mr. Benson: I think my hon. friend is correct in that regard. This applies generally throughout the Customs Act. If one looks to the Tariff Board, he will find that there are cases of appeals by people importing into the country who have felt the law as it exists has been unfairly applied.

Mr. Douglas: They would not have an appeal against a decision made under section 37A by the Governor in Council. Would there be any right of appeal against such a decision?

Mr. Benson: Mr. Chairman, I do not wish to get myself into the position of giving a legal opinion, and I want to reserve the right to get in touch with my hon. friend to give him the legal opinion of my Department in this regard. I do not wish to attempt to argue the legal rights in respect of appeals.

Mr. Kindt: I should like to ask the Minister one or two questions concerning the suggested amendments to section 104 (1a), which relate to the composite rate. As I understand what the Minister has said, these goods will be sold on the basis of a composite rate. In other words, they will be lumped together, for some reason of which we are not clear, and offered for sale on the basis of a composite rate. The question which arises is this. Supposing a small operator has a legitimate use for and wants to buy one piece of machinery such as a dredge, tractor, or some part of the composite group—and I speak with some experience in this regard—will it be possible for him to do so? My experience has been that it is impossible for an individual to purchase just one piece of machinery because the Government prefers to sell a whole lot as a composite group. The Government prefers to make one deal, and the individual is left outside in the cold. He may have a use for and a desire to purchase a particular piece of machinery, but it is sold as part of the composite group.

• (8:50 p.m.)

The Minister's intention is to impose a composite rate. I take it from the word "composite" that what he has in mind is to take a whole floor of machinery and lump it all and then somebody will come along and buy the whole thing. Will you please answer that question?

Mr. Benson: First of all, I should explain that under this section of the Customs Act the Minister of National Revenue is not at all involved in selling the particular goods in question. How they are sold by Crown Assets Disposal Corporation is entirely up to the Corporation. The Department of National Revenue has nothing to say about this. What we are dealing with in this particular section is securing for the Federal Government out of any ultimate sale the amount of tariff to which the Government is entitled. We do not affect the method of sale or to whom Crown Assets Disposal Corporation sells the particular goods. We are simply saying here that the amount of tariff payable to us will be at a certain rate on the particular amount of goods.

As I mentioned previously, this is a matter which was commented on by the Auditor General. It was also studied by the Public Accounts Committee and it was recommended to the Department of National Revenue that something be put in the Customs Act in order to legalize this method of applying duty. We are not at all involved in the selling of the goods. We have no interest in to whom they are sold or in how tenders are called, or anything else. Our sole interest is to apply a tariff to the goods which is fair in all the circumstances, and which provides for the minimum cost of collection so far as the Federal Government is concerned.

Mr. Kindt: Then you have two Government Departments, the Department of National Revenue and Crown Assets Disposal Corporation, valuing goods. Crown Assets Disposal Corporation usually refers to the appraisal made for duty purposes as a guide in establishing their value and offering the goods to the public.

Mr. Benson: No.

Mr. Kindt: The Minister says "no". In this legislation there is an open end with regard to what method the Department of National Revenue has to follow in making valuations for duty purposes. At the same time the valuation finds its way into the final price which people are asked to pay to Crown Assets Disposal Corporation and the fact is that the two are related. I have followed these sales through Crown Assets and they have got to look somewhere in order to get their value. They will send a man out and he will appraise the goods, and in making his appraisal he will take his cue from the value that the Government has already placed on them for duty purposes.

Mr. Benson: Mr. Chairman, I should like to answer this question by saying that the whole purpose of this section is so that we do not have to go out and appraise goods. The goods are appraised by Crown Assets Dis-

posal Corporation and we apply a composite rate of duty to the appraisal placed on them by the vendor. The selling of the goods has nothing to do with the Department of National Revenue. All we want to do is to collect a fair amount of tariff in respect of these goods. We are authorized by this amendment to the section, which is detailed in the bill that will be forthcoming when we complete the resolution, to apply a composite rate of duty rather than applying a rate with regard to each specific item as valued.

Mr. Kindt: Do I understand the Minister to say that you take the appraisal of the goods given to you by Crown Assets Disposal Corporation and apply a rate?

Mr. Benson: Right.

Mr. Kindt: Then there are not two Government organizations making appraisals. What assurance have you that Crown Assets Disposal Corporation will make a proper valuation? What basis do they use in making their appraisal? Is it market value, is it value in use or is it whatever someone is willing to pay? We have been given no guide lines with regard to the definition of value, and how it is arrived at is about as uncertain as trying to pin an eel with a blunt fork. The Government should get down to business and give us something to stand on.

Mr. Doucett: Mr. Chairman, I am not very clear yet on this matter and I should like to ask the Minister a question. When those who bring the machinery into Canada are finished with it, and it is then turned over to Crown Assets Disposal Corporation and the Corporation disposes of it, does the Corporation pay the Department of National Revenue on the basis of the price at which they sold it, or do they value it prior to that time and pay on the basis of that amount?

Mr. Benson: Mr. Chairman, if there are any other questions perhaps I might deal with them at the same time.

Mr. Olson: I want to ask the Minister a question. Under this section the composite rate may be such rate as is determined by the Minister. It has been admitted that the Government has been doing this in the past and is now coming to Parliament to legalize a practice that has been going on. I should like to ask the Minister what this rate has been in the past, compared with the regular rate on new equipment?

Mr. Benson: Mr. Chairman, the composite rate is applied on the selling price, the price at which the goods are actually sold. The composite rate that has been used is 15.25 per cent, I am informed by officials of my Department, and I would think that this rate is determined by taking a group of various assets that are being sold and averaging the rates on all of these assets rather than applying a specific rate to each particular asset.

Mr. Olson: The rate of 15.25 per cent is levied on the actual selling price?

Mr. Benson: Yes.

Mr. Doucett: Mr. Chairman, if the Minister does not mind I should like him to tell me whether the 15.25 per cent is on the valuation established by Crown Assets or on the sale price by Crown Assets?

Mr. Benson: The sale price.

Mr. Kindt: Do those who make the appraisal for Crown Assets Disposal Corporation take into consideration that they can sell the goods at a certain figure, make their appraisal accordingly and then at the same time include within their appraisal the 15.25 per cent? In other words, if Crown Assets valued them any higher they would not be able to sell them.

Mr. Benson: Mr. Chairman, I am not competent to answer with regard to the basis on which Crown Assets Disposal Corporation may place values on goods. My job as Minister of National Revenue is to collect a reasonable amount of customs tariff on goods which may have come into Canada duty free, or at a small rate of duty, and are then sold within this country. The Department of National Revenue applies a composite rate of duty on the actual selling price of the goods. Our belief, which I think was confirmed by the Public Accounts Committee who looked into the matter, was that we were collecting the amount of duty to which Canada would normally be entitled, and by using the composite rate method rather than proceeding to examine all the goods we were collecting the revenue with the lowest cost to the Government of Canada. The methods used by Crown Assets Disposal Corporation in valuing such goods for tender purposes, and so on, really are not part of the responsibility of the Department of National Revenue.

• (9:00 p.m.)

Mr. Hales: To return to my original question, why do we not place on this second hand machinery the original duty that would be

appliable to it if it were brought into the country by a private individual? In other words, someone is buying this machinery cheaply, gaining on the duty, and it is unfair competition to the manufacturer of such machinery in Canada. The Public Accounts Committee simply asked that what has been done be legalized, but it did not say this was the right way or right policy.

Mr. Benson: I would like to think that the Public Accounts Committee, if they thought this was wrong—and I was a Member of it two years ago—would have said they thought it wrong, and said so rather violently. As I explained, under normal conditions goods are presented to qualified customs appraisers in Canada who have facilities for rating them and valuing them in accordance with the law. The U.S. goods which are disposed of in this manner are often located in remote, inaccessible areas such as D.E.W. line sites.

In addition a great variety of goods may be involved in any single disposal. This combination of circumstances makes it practically impossible to appraise the goods in a normal way without undue expenditure of public funds. In other words, it would cost us more money to go and appraise them, and collect the duty than it does to apply a composite rate.

Mr. Lambert: If my memory serves me right there is a condition about the sale of these goods which come primarily from the United States, that they shall not be reimported into the continental United States. In other words, Canada is being used as a dumping ground for this surplus of equipment.

I know of cases where traders have swept up equipment in the Pacific islands and brought it to Alaska where huge auctions are held. Then the equipment is brought into Canada. I disagree with the policy of Crown Assets. The Department of National Revenue is not getting what it should, because these goods are sold in the north on an as is, where is basis, and trucks and tractors can be got practically for a song because of the remoteness of the area and the limited number of purchasers.

With modern methods of transportation it would be much better to bring these goods to a more centralized market site where there would be more competitive bidding and the prices would be higher. I ask the Minister to use his good offices to convince the Minister of Industry that Crown Assets policy is rather shortsighted in this regard.

These goods are brought into Canada primarily for a military purpose. They go through some usage and then they are dumped. There are instances of astute men making 1,000 per cent to 5,000 per cent profit by buying this equipment and transporting it to where there is a good market for the goods.

Mr. Benson: I would like to assure the hon. Member for Edmonton West that as Minister of National Revenue I am interested in getting everything to which the Canadian Government is entitled out of these goods in the form of customs tariff, and I will bring his useful suggestions to the attention of the Minister of Industry.

Mr. Kindt: If the Minister or anyone else went into the areas where these sales take place they would find discontent among the residents because usually a trader buys the goods for a song. He offers any items he can sell locally to the residents, but transports the rest to another area and the profits are tremendous. It is impossible for the small man to get a crack at this gain through Crown Assets Disposal Corporation. It is all very good to smile, but if the Minister was up there trying to buy this equipment he would find that what I am saying is exactly the truth. If he wants to keep happy and contented people in these areas, he should look at the problem as it exists in them.

Mr. Benson: I have already indicated that neither I nor my department are involved in the disposal of the goods but I will bring the representations of hon. Members to the attention of the Minister of Industry.

Mr. Pugh: I am thinking along the lines of protection for Canadian manufacturers. This paragraph states that the rate will be such as may be determined by the Minister, and he has said it is based on the actual sales value of whatever equipment might be sold. This may approximate a fire sale, and goods sold at a fire sale, if they are sold in this country, do in effect come in as dumped goods. The rate should be fixed on the reasonable cost of similar goods in Canada, taking into account transportation to the points at which the goods are sold.

In this field Canada is losing revenue, and if the duties were at a higher rate Canada would gain more revenue.

• (9:10 p.m.)

Now if they are being undercut by much more, the suggestion is that this might bring about an imbalance in the production of

Canadian manufacturers. That is the suggestion I have to make to the Minister. The fixing of the rate is discretionary and if a rate is fixed on the basis of a selling price alone then it constitutes discrimination against the Canadian manufacturer who is producing goods for the same market and for the same people.

Mr. MacInnis: I have one further question to ask with regard to this kind of dumping. If I am wrong in my assumption I hope the Minister will correct me. When the Americans bring in this type of equipment for D.E.W. line operations or construction in Newfoundland, Labrador or wherever it may be, it is my understanding that there is legislation for bidding its re-entry into the United States. Why does not the Canadian Government set up a duty more comparable with the value of the equipment which comes into Canada in this way?

Mr. Benson: I understand that the primary purpose of this material is national defence. The intention is not to offer these goods for sale on the Canadian market. In many instances, as the hon. Member knows, they are used in the far north where the wear and tear on goods and machinery is extremely heavy. The sole purpose of this provision in the legislation is to carry out the recommendation of the Public Accounts Committee that the Minister be authorized to apply a composite rate of duty—15.25 per cent—rather than send somebody out to try to value these things as used.

Mr. MacInnis: The Minister has referred to the value of this equipment as "used". Is he aware of the fact that much of this material is re-sold before it is ever put to use? This was the situation during the years between the end of the war and 1957, and it is still going on at the present time.

Mr. Kindt: I should like to ask the Minister, or the Minister in charge of Crown Assets, whether he would discuss the possibility of selling these goods by public auction rather than to individual traders. It seems to me it would give a better chance to the little fellow if this material were sold by auction rather than holus-bolus for a lump sum. In addition, I believe the Department of National Revenue would get more money. The small buyer, in turn, would get an opportunity to purchase equipment at a reasonable price and everyone in the area where these sales take place would be in a better frame of mind.

[Mr. Pugh.]

I make this suggestion despite the fact that the person sitting behind the Minister of National Revenue continues to laugh and smile as though he knew something about what goes on in these areas, though I think he is as dumb as the dumbest person could possibly be in regard to matters of this kind.

Mr. More: I rise merely to make the suggestion that if the Minister of Agriculture were put in charge of the disposal of this equipment he would surely be happy about the results he could get.

Mr. Simpson: I should like the Minister to tell us how the duty is paid. Is it paid by the purchaser who bids on the equipment or does the Crown Assets Disposal Corporation pay it to the Department of National Revenue out of the over-all sum which the purchaser bids? Or does the purchaser pay what he bids for the equipment, plus an additional sum in duty?

Mr. Benson: I am subject to correction but I believe it is paid out of the over-all sum. The bid is made and 15.25 per cent of it automatically goes to the Department of National Revenue.

Mr. Simpson: In that case the purchaser would be paying no duty as an individual.

Mr. Benson: That is correct.

The Chairman: Does this conclude the discussion of paragraph 1?

Some hon. Members: Agreed.

Paragraphs 1 to 8 inclusive agreed to.

Resolution agreed to.

CUSTOMS TARIFF

Resolved, 1. That the Customs Tariff be amended by adding thereto, immediately after section 16 thereof, the following section:

17. (1) The Governor in Council, by order, may from time to time amend

(a) Schedules A to C, and

(b) any lists of articles or goods the duties on which are removed or reduced pursuant to any Act or any order in council under the Customs Act or this Act,

by renumbering the items set out in Schedules A to C or in any such list but not so as to affect the status of any of those items with respect to the payment of duty.

(2) On and after the coming into force of an order under subsection (1) a reference by its former number in any Act or in any statutory or other instrument or document to any item renumbered by that order shall, unless the context otherwise requires, be construed to be a reference to that item as renumbered by the order.

(3) The Minister of National Revenue may, from time to time by publication in Part I of the

Canada *Gazette*, give notice of any change required to be made, by virtue of an order under subsection (1), in any reference in any Act or in any statutory or other instrument or document to an item renumbered by the order where the reference thereto is by the former number.

2. That Schedule A to the Customs Tariff be amended by striking out tariff items 209 E, 210i, 263e, 384, 440m(1), 440n(1), 445z, 541a(2) and 695(c), 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:

3. That Schedule B to the Customs Tariff be amended by inserting therein the following item, enumeration of goods and rate of drawback of duty:

4. That Schedule C to the Customs Tariff be amended by striking out item 1,220 and the enumeration of goods set opposite that item, and by inserting therein the following item and enumeration of goods:

5. That Schedule C to the Customs Tariff be amended by inserting therein the following item and enumeration of goods:

6. That any enactment founded upon resolutions 2, 3 and 4 of the foregoing resolutions shall be deemed to have come into force on the 27th day of April, 1965, and to have applied to all goods mentioned in the said resolutions imported or taken out of warehouse for consumption on or after that day, and to have applied to goods previously imported for which no entry for consumption was made before that day.

7. That any enactment founded upon resolution 5 of the foregoing resolutions shall come into force on the 1st day of January, 1966, and shall apply to all goods mentioned in the said resolution imported or taken out of warehouse for consumption on or after that day, and shall apply to goods previously imported for which no entry for consumption was made before that day.

Mr. Pennell: Perhaps it would be useful to the committee if I were to make a few general remarks at this point.

The first resolution provides for the renumbering of items in the Customs Tariff by Order in Council. As was mentioned in the budget speech, this will permit the use of modern tabulating equipment for correlating import statistics and tariff items.

The second and third resolutions cover a miscellaneous group of items. Some of the items expire this year and they are being extended without change for another 12 months. The amendments to other items are of a relieving or of a technical nature.

Resolution 4 provides for an amendment to the item which governs the importation of offensive weapons.

Resolution 5 establishes a new item 1221 to come into effect on January 1, 1966. Entry into Canada will be prohibited for the periodicals described in this item.

Resolutions 6 and 7 relate to the coming into force of the previous resolutions.

Mr. Lambert: With regard to paragraph 2, we note that items 440m and 440n are redundant. I think that at some time in the past the Parliamentary Secretary indicated that an effort would be made to regularize the position of these annual extensions having to do with aircraft not including engines. This concerns a particular type of aircraft and a particular type of engine. But we seem to be going from year to year without reaching a definite decision. I believe I raised this point last year and the year before. When I was occupying a position similar to that of the Parliamentary Secretary I wondered why we were making these entries from year to year. Perhaps the hon. gentleman could tell us why we do this on an annual basis rather than incorporate it into an item which could eventually be removed.

As to item 445z, may I ask what is the quid pro quo in respect to this change in duty? The item refers to parts for use in the manufacture or repair of electric dry shaving machines for use in removing human hair or of rectifer converters used in conjunction therewith. Has this to do with ordinary electric razors and the rectifiers which are used to convert current from one voltage to another? What is the *quid pro quo* in regard to this.

• (9:20 p.m.)

Then item 695c has to do with—and this is a very important matter, I am sure—original sculptures and statuary, including the first 12 replicas made from a sculptor's original work or model; all the foregoing—and I want to know who determines this—the professional productions of sculptors only, and valued at not less than $75 each. Who determines the professional productions of sculptors only?

Mr. Grafftey: The Secretary of State.

Mr. Lambert: Is this done under certificate from the ministry for culture, or the Secretary of State? Then we have item 695e, which deals with hand-woven tapestries, suitable only for use as wall hangings, valued at not less than $20 per square foot. What particular sophisticates are going to benefit from this, because this material is now coming in free of duty? In particular, from what countries will this material be imported? To what countries is this provision primarily intended to apply, and why? What, again, is the *quid pro quo* with regard to this tariff concession?

Then we will also have to deal with item No. 5. I think the Parliamentary Secretary had better have a very good explanation because this has to do with split runs and we

are back into the periodicals business. In the first line thereof again we have "regulations prescribed by the Governor in Council". Depending upon the answers we get from the Parliamentary Secretary, particularly as to item No. 5, we will see how the discussion will go. The other items are more on the basis of information.

Mr. Pennell: Mr. Chairman, I thought at first I might ask the indulgence of the committee but I carried on without asking it. However, after the deluge of questions directed at me by the hon. Member for Edmonton West perhaps I should ask for the indulgence of the committee in my first attempt at dealing with the Customs Tariff. With regard to items 440m(1) and 440n(1), aircraft and aircraft engines, these items were established in 1952 and have been renewed periodically since then. I suppose the hon. Member pondered the same question between 1957 and 1962.

Mr. Lambert: And I was told they were going to be made permanent.

Mr. Pennell: The renewal of these items, I might say, has the support of the Air Transport Association, which represents the operators of aircraft, and of the Air Industries Association of Canada, which represents the manufacturers. I hope that information is helpful to the hon. Member for Edmonton West. I presume these items have been continued on the representations of the Air Transport Association and the Air Industries Association of Canada.

Dealing with tariff item 695c, sculptures, the amendment to this item is of a technical nature to simplify its administration. The words "when certified by the Director of the National Gallery of Canada as being of a cultural character" have been removed from the item because it is thought this might expedite the administration of the item. Limitations as to minimum value and maximum number of replicas made from an original work have been inserted to safeguard against any abuses of this particular item. The hon. Member posed the question as to who is going to determine this matter. I would assume that the officials of the Department would do this, in the same way as they deal with the value of paintings from time to time.

Mr. Lambert: Yes, but on the basis of a certificate? Are we going to have an Appraiser of Culture?

[Mr. Lambert.]

Mr. Pennell: I would assume that the officials of the Department are competent to exercise the necessary judgment, Mr. Chairman.

I believe the next item raised was in connection with electric shavers, tariff item 445z. Item 445j provides for the free entry of "electric dry shaving machines for use in removing human hair, and parts thereof". Certain parts, however, such as transformers and nickel-cadmium batteries, are deemed to be more specifically provided elsewhere in the tariff and are not admitted under Item No. 445j. These parts would be dutiable at 15 per cent British preferential and 22½ per cent most-favoured-nation.

The purpose of item 445z is to supplement item No. 445j by providing for the free entry of those parts which do not qualify for admission under Item 445j. The maintenance of the duties on these parts would have made it uneconomical for electric shaver manufacturers to continue the production in Canada in competition with complete shavers which enter duty free. With regard to the other item raised by the hon. Member for Edmonton West, I must apologize to him, but it escaped my attention.

Mr. Lambert: It was 695e, hand-woven tapestries, that you hang on a wall.

Mr. Pennell: This is a new item, as the hon. Member pointed out, and it provides for the free entry under all tariffs of hand-woven tapestries, suitable only for use as wall hangings. These tapestries are normally made of wool and were dutiable as manufactures of wool under tariff item 533a, at 25 per cent and 27½ per cent. Under this new item they will be accorded the same tariff treatment as most other works of art. The minimum value limitation will ensure that commercially produced tapestries are not entered under this item.

Mr. Lambert: In view of the fact that the valuation must exceed $20 per square foot, obviously they are going to be rather sophisticated items. What is the *quid pro quo* for this change? What have we gained as a result of this change, because this is usually as a result of bargaining between countries? Is there any advantage that Canada has gained, because frankly I do not think we are giving away very much here; but on the other hand, what are we gaining?

Mr. Pennell: I am not in a position to give a categorical answer, but I understand that the former rates prohibited for all practical purposes the importation of these very expensive tapestries. As the hon. Member has

pointed out, he does not expect very heavy importations; and after all, they must be limited to those for wall-hanging purposes. I am satisfied it was done, not in the interest of making a *quid pro quo* arrangement but really to deal with works of art.

Mr. Lambert: What about item 1221?

Mr. Pennell: To be quite frank, Mr. Chairman, I expect further comment on Item 1221 so I would, with respect, reserve comment until later.

Mr. Fisher: Mr. Chairman, I wanted to make some comments upon part 5, which opens up the whole question of periodicals legislation, *Time, Reader's Digest* and all that.

Mr. Knowles: This is where I came in.

Mr. Fisher: There are some very interesting problems that come to mind when one looks at this particular clause. I think we are all aware that this Government has entered into an agreement with the United States, and with some American corporations that have Canadian subsidiaries, in connection with the automobile trade. I would like to know whether the Minister has ever considered what a road block this particular rule could be to a real integration of the automobile industries of Canada and the United States. I see we have got the real authority on agriculture and automobiles in the House in the person of the Acting Prime Minister, and I turn to him.

Mr. Knowles: Agriculture and culture.

Mr. Fisher: And automobiles. Mr. Chairman, I would like to ask—

Mr. Martin (Essex East): Don't say anything about my constituency.

Mr. Fisher: —the hon. Member for Essex East if he is not aware that in the automobile trade in both Windsor and Detroit there is a common interest in publications and periodicals. I think this is obvious. As I believe many hon. Members will know, a number of publications are shared jointly by the trade where advertising is very important, and if the Canadian parts manufacturers are going to be entering into the Canadian market, and vice versa, and we are going to get this interplay and interpenetration in this industry, one would assume there would be tremendous advantages in having periodicals, weeklies and monthlies, that relate to the trade, with all the information for the trade including franchises, bids, tenders and all the other things that are of common interest. This is one of the assumptions the Government should consider as naturally following the automotive trade arrangement. Yet here we are setting up in the Customs Tariff a series of blocks to any development of that kind.

• (9:30 p.m.)

Although I have more substantial comments to make on this particular paragraph this seems to me to be an anomaly, the kind of paradox we keep encountering with this particular government and Minister of Finance in office—on the one hand Canadian nationalism, the Canadian Development Corporation, the cry "Let us save our Canadian insurance companies and banks"; and on the other hand the naturalization of *Time* and *Reader's Digest*. Let us intermix our automotive industry, but block off any normal kind of trade communications and channels which link them up.

I do not want an explanation of the paradoxes because we know that this is part of the character of the Government. At times we can swallow it a little better. It is like having castor oil with a lot of syrup administered by the hon. Member for Essex East, with his own particular kind of circumlocution, which makes us feel that it is not really as bad as we thought. But we have a situation where the Minister of Finance in one year and in one budget does not want any part of *Time* or *Reader's Digest* but passes it over to the Prime Minister; and then this year he changes to this kind of nationalism, at the same time resorting to another kind in connection with life insurance, banks and the Canadian Development Corporation, which makes us a little annoyed and discouraged at the over-all approach which the Government has to these matters.

Paragraph 5 seems to me to have no real planning for the future in terms of certain developments which might take place. I should like the Parliamentary Secretary to note that not too long ago a number of representatives of the churches which put out publications held an annual meeting in Ottawa and lobbied the Government from the point of view that their publications deserved and merited Government advertisements. It is apparent that in the field of religious publications both in Canada and the United States a tremendous effort is being made to put these publications on a commercial basis, so that they have the income to improve their

editorial content, to get their circulation up, and so on. There is nothing regrettable about this particular trend, but I would point out that religious publications are specifically exempted under this particular item.

I assume that if the same step is being taken by religious publications in the United States which is developing here, then it is quite conceivable that, for example, a publication which generally appealed to fundamentalists, those in the fundamentalist churches or the Lutheran churches, could reach the stage in terms of circulation drive and editorial content which would be quite considerable. All you need do is look at the "Lutheran Hour" on television to realize the potential. I am not saying that the "Lutheran Hour" is commercial, but when this kind of body produces a publication with a commercial base it is conceivable in this area that you would have something which would attract Canadian advertising revenue and also advertisers of United States corporations with Canadian subsidiaries. This is something both feasible and possible, given the present trends which we have.

One of the other points I want to make with regard to the exemptions made here is this. There is the whole question of catalogues. What about coin magazines which, in effect, are catalogues? What about the number of agencies selling long playing records, or books, on the basis of a catalogue circulated on a regular basis? Quite often, as all hon. Members know, these publications include on the frontispiece or at the back, or occasionally in inserts, general advertising in connection with the trade. If that particular kind of catalogue is exempt, it seems to me it offers an obvious vehicle for circumventing what seems to me the intent of the legislation.

Included in this particular item is the following definition:

> For the purpose of this item,
> (a) "issue" includes a special annual issue, and
> (b) "periodical" means a periodical, the issues of which, other than special annual issues, are published at regular intervals of more than 6 days and less than 15 weeks and are distributed as issues of a distinct publication or as a supplement to more than one newspaper, but does not include
> (i) a catalogue,
> (ii) a newspaper, or
> (iii) a periodical, the principal function of which is the encouragement, promotion or development of the fine arts, letters, scholarship or religion.

One other point in connection with these exceptions relate to special issues of *Life* magazine which are completely devoted to something like fine arts, or special editions of magazines like *Esquire*. I interpret from the terms both of the budget resolution which was put through earlier and from this resolution that if a magazine like *Esquire* or *Holiday* has a special issue devoted, say, to Canada—

Mr. Moreau: What about *Playboy*?

Mr. Fisher: The hon. gentleman probably knows more about *Playboy* than those of us over here; he has that lean and virile look anyway. I would advise the hon. Member to make a visit to Russia, which would cool him off in this regard; and he can get advice in that matter from the gentleman sitting near him.

To return to the question of special issues, it would seem to me that under the provisions to which we agreed yesterday and which we are approving here a special issue devoted, say, to Canada or to a general Canadian interest could come into the country, yet it is the very type of issue that our provincial governments and Canadian travel bureau, and so on, will be advertising in. A tremendous number of United States interests would also be advertising in it to link up with the demand which exists in Canada for facilities and services which are particularly close to the border. I agree that one issue does not mean very much, but recently there have been three national United States magazines which have issued special editions devoted to Canada. The range and gamut of United States magazines both in terms of type and also the variety of form and approach is very wide. You could conceivably have a succession of special issues, not necessarily designed as a split run device which could be a threat to advertising revenue in Canada.

• (9:40 p.m.)

I should like to know from the Minister something a little bit more specific, and I want to give him a couple of examples. Would the *New York Book Review* or the *New York Review of Books*, or the *Reporter* magazine or the *Nation*, and magazines of that character be considered as being exempted under the last part, the principal function of which is the encouragement, promotion or development of the fine arts, letters, scholarship or religion? I think the Parliamentary Secretary might give us some appraisal of this massive amount of publishing in the periodical and newspaper field which goes on in the United States, using the names of magazines and

publications, and give us just what the Government has in mind as to how much would be exempt and how much would not be exempt.

Are we out to simply block *The Saturday Evening Post, Life, Look, Esquire, The New Yorker* and publications such as that, or are we thinking of the whole range of those hundreds of periodicals which is more than we publish here and perhaps more than we and England publish? This of course raises another point which I wish to touch upon. All the assumptions I have made in my remarks have been based on the Canada vis-à-vis the United States situation, and of course I am still troubled by my anger over the *Reader's Digest* situation. This particular paragraph will affect more than Canada and more than the United States. We have a sizeable number of publications, although much less than from the United States, coming from Great Britain and from France. In this regard again I would like to know whether the Government has any appreciation as to what kind of magazine is involved. Give us the titles of the magazines that are to be affected by this exempting clause.

Has the Government consulted with libraries which, in the main, are the largest importers of periodicals? I suppose one could make the automatic assumption that if a library bothers to buy a paper or periodical, it is for at least one of the purposes listed here; but it might be quite conceivable, and I can tell the Parliamentary Secretary, as someone who has worked as a librarian, that it is amazing what the customs department can throw at you when you are trying to get books and periodicals in from outside the country, that many of these publications will not be included. I am not referring to the difficulties I have had in the past, trying to smuggle copies of *Fanny Hill* into the country, or anything like that, I am referring to scientific abstracts. I want to be sure that the Government has canvassed this whole matter and has consulted with these people who bring in periodicals for the purposes that are exempted here and those who are involved in the commercial distribution of periodicals in Canada. I should like to know what American News, for example, has said to the Government about this particular proposal, and how it may affect that company.

There is one last point in relation to this that I want to touch upon, and this really ties in with the complaints that are being made by newspaper publishers. This perhaps has been best exemplified by that editorial which appeared in the *Free Press* and which has been read so often today, which accuses the Minister of Finance of falsehoods. It would seem to me that if the objections of the newspaper publishers in relation to newspapers are valid, the same arguments should lead them to object to this particular paragraph as it affects the United States periodicals, particularly in view of the fact that it is quite conceivable that under the guise of some kind of culture some Canadian magazine in existence, and it might even be a defunct property like *Liberty* which probably has a copyright and is entitled to the name, to merge with some United States publications so that we would get a situation where we have in effect a replica of the *Time* and *Reader's Digest* situation.

This is one of the things that bothers me about the lack of the information we have had in connection with *Time*. *Time* is a representative publication from the publishing empire which includes such very popular and successful magazines which are widely read in Canada as *Sports Illustrated, Fortune* and *Life*. It seems to me that once this particular organization with production in Canada has been O.K'd and given Canadian status, we will not have anything specific enough either in this particular Customs Tariff, or in the resolutions to be put into a bill to be presented later on, which will protect us against an imaginative periodical published by *Time* magazine, using the editorial resources that they can pick up from publications such as *Fortune, Sports Illustrated* and other parts of the *Time, Life, Fortune* Luce stable.

I do not think this particular legislation will naturalize Henry Luce, although I am certain it will lead that gentleman to believe that he and his associates have fantastic influence in Canada and have been able to bring this particular resolution about. What we might have done, or may be doing, with this particular paragraph is putting through a protective device, not against the United States influence but against any interference with the leading United States influence in communication, printed and advertising, in respect of *Time* and *Reader's Digest;* and it seems to me particularly in respect of *Time,* because of the other publications which are associated in that stable. It does include *Reader's Digest* because the digest kind of format can open up so many possibilities that the Government might be worrying

less about the protection they are getting from United States magazines, that are overtly American and shipped in from the United States, and much more about the prospect of *Time* and *Reader's Digest.*

I have asked a number of questions in relation to this subject, and I expect the usual long and detailed answer that Parliamentary Secretaries are much more given to than Ministers.

The Chairman: Order, please. May I inquire of the committee if at the moment we are considering resolution No. 1. I did not interrupt the hon. Member for Port Arthur, but I felt he was referring more specifically to resolution No. 5.

Mr. Fisher: Mr. Chairman, did you change the rules since yesterday?

The Chairman: If the hon. Member will compare the two resolutions, he will notice that we had one resolution yesterday and five resolutions today, so the rules have not been changed.

• (9:50 p.m.)

Mr. Winkler: If I may be permitted, Mr. Chairman, I should like to address myself to the same item referred to by the hon. Member for Port Arthur. I want to pose a couple of questions to the Parliamentary Secretary for the purpose of clarification. So far as resolution No. 5 is concerned, I think he should give us initially a very clear indication of what the meaning of this provision is. It may be my ignorance more than anything else that is responsible for my not fully understanding the meaning but it seems to me that item 1221 may be confusing. If subsection 1 were a prohibiting subsection I think we might consider being agreeable to it, and as of this moment I do not believe we would be opposed to subsection 2 and the exemptions permitted thereunder as they will affect the people concerned and Canadians generally. I should like to refer to subsection 1 in particular where I find these words:

> Issues of a periodical, one of the four immediately preceding issues of which, if such preceding issue is dated after September 30, 1965, has, under regulations prescribed by the Governor in Council, been found to be an issue of a special edition, including a split run or a regional edition, that contained an advertisement that was primarily directed to a market in Canada and that did not appear in identical form in all editions of that issue of that periodical that were distributed in the country of origin.

If this in fact is not a prohibiting section it could have a very disastrous effect. I do not wish to elaborate on what position I or some of my colleagues may take until we have an absolutely clear explanation and understanding of what the entire section means. I understand that the subsections are quite different and, as I have stated, I am not opposed to the type of exemption which I understand is provided in subsection 2. Before we proceed further with the consideration of the whole item I think the Parliamentary Secretary should give us a very clear explanation and understanding of what this means.

[Mr. Fisher.]

Mr. Pennell: Mr. Chairman, perhaps I might reply to the hon. Member for Grey-Bruce before dealing with the questions raised by the hon. Member for Port Arthur. The hon. Member for Grey-Bruce has raised a very pertinent question and a fuller explanation of this item would seem to be in order.

Perhaps I might begin by saying that a significant amount of magazine advertising directed to Canadians is originated by companies which operate outside of Canada or by the foreign affiliates of Canadian firms. Such organizations are, of course, outside the reach of the Canadian Income Tax Act. It is therefore necessary to deal with advertising that is directed to the Canadian market by such organizations in non-Canadian periodicals through the Customs Tariff. I think this is important, Mr. Chairman. It will be recalled that the Royal Commission on Publications recommended that action of this sort be taken.

Mr. Fisher: And that *Time* and *Reader's Digest* be blocked off.

Mr. Pennell: Hon. Members are probably aware that in recent years it has become quite common practice for many mass circulation magazines in the United States to produce so-called "split runs" or regional editions which involve the insertion of advertising in a portion of the circulation of a particular issue. That circulation may be directed to one region of the United States or to Canada. This is a result of the fact that many American mass circulation magazines also circulate in Canada on a very large scale.

What is envisaged is that if a particular issue—I emphasize the word "a"—is found to be a split run or regional edition containing advertisements directed to Canada, future issues of the publication will be denied entry. This makes it possible for the proprietors of the publications in question to make any changes necessary in order to avoid the prohibition. The Department of National Revenue

will, of course, be getting in touch with all known publishers who might be affected so as to give them every opportunity to make such adjustments in their advertising patterns as may be necessary. That covers the first portion of this item.

The second portion relates to the practice of inserting in advertisements in mass circulation United States magazines which are sold in Canada the address of the Canadian agent or supplier of the products advertised. The O'Leary Commission recommended that no magazines be allowed to enter Canada which contain such advertising. We have come to the conclusion that such a measure would work a hardship in certain cases. There are some products which it is unreasonable to expect would be advertised in Canada in any other way, such as goods which are used only in certain professions or trades, or products which are sold in very limited quantity. Accordingly, it is proposed that all magazines entering Canada be allowed to have a minimum amount of such advertising. It is expected it will be relatively easy for foreign periodicals which circulate in Canada to adjust their advertising arrangements in such a way as to make it unnecessary to invoke this prohibition. I hope that explanation deals with the question of the hon. Member for Grey-Bruce.

The Chairman: Shall the resolution carry?

Mr. Fisher: No.

Mr. Pennell: During the remarks of the hon. Member for Port Arthur he made a rather forceful argument with regard to what he described as the Canadian nationalism policies of this Government. He enumerated a number of them, for which I am thankful, and then he went on to state that the present legislation regarding magazines was an abandonment of such policies. With great respect may I say to the hon. Member that one variation from a policy does not mean that there is abandonment of a policy and, as a matter of fact, I thought he made a rather strong case for the Government in the course of his argument by enumerating all the things we have done to bring in what he calls a policy of Canadian nationalism.

Mr. Grafftey: The exception proves the rule.

Mr. Fisher: Let the Parliamentary Secretary tell us about the automobile trade industry and the consequences that might affect periodicals in this particular area.

Mr. Pennell: The hon. Member is asking me to move into a rather hypothetical area, because we do not know yet what the effects will be.

Mr. Fisher: That is not what the Minister of Industry tells us. He talks in terms of 11,000 jobs, a market of $200 million, in parts, in the United States, and interpenetration of the industry. May I call it ten o'clock, Mr. Chairman.

Mr. Starr: Mr. Chairman, since we are so close to the completion of these resolutions, may I offer the suggestion that the House might be agreeable to sitting for another 30 minutes so that we may complete them?

Mr. Fisher: No.

Some hon. Members: Agreed.

The Chairman: There is opposition. Before the Chair calls it ten o'clock, it would appear that we have been limiting our discussion to resolution No. 5 and it may be that there is a disposition on the part of the Committee to carry resolutions 1, 2, 3 and 4. If that is the case, perhaps I might call them.

Mr. Fisher: You might as well call resolution 6 too.

Resolutions 1 to 4 inclusive agreed to.

Mr. Knowles: Ten o'clock.

Progress reported.

• (10:00 p.m.)

Resolution (Income Tax Act) reported and concurred in.

Resolution (Customs Act) reported and concurred in.

INCOME TAX ACT

Mr. Speaker: Mr. Gordon moves for leave to present a bill based on the resolution respecting the Income Tax Act.

Mr. Fisher: Ten o'clock.

Mr. Deputy Speaker: Order. This is the motion for first reading which, according to Standing Orders, has to be called at this time.

Mr. Fisher: It is after ten o'clock, Mr. Speaker. You can call it tomorrow.

Mr. Deputy Speaker: The understanding of the Chair is that, according to practice, the motion for first reading is made at the same time as the motion is made for concurrence in the report of the committee. There will be no motion made for second reading at this time.

Mr. Fisher: My point is that we do not want the second reading tomorrow, either.

Mr. McIlraith: There is no intention of proceeding with that.

Mr. Deputy Speaker: The Chair is acting according to the practice of the House at this time.

Hon. Walter Gordon (Minister of Finance) moved for leave to introduce Bill C-118, to amend the Income Tax Act and the Federal-Provincial Fiscal Arrangements Act.

Motion agreed to and bill read the first time.

CUSTOMS ACT

Hon. Walter L. Gordon (Minister of Finance) moved for leave to introduce Bill No. C-119, to amend the Customs Act.

Motion agreed to and bill read the first time.

BUSINESS OF THE HOUSE

Mr. McIlraith: Mr. Speaker, tomorrow we will continue with the discussion on the resolution that we were dealing with before ten o'clock. When it is completed we will take Government Order No. 10, resuming debate on the motion of the Minister of Justice to set up a joint committee to consider the state of penitentiaries; then the resolution and the legislation dealing with the Fisheries Improvement Loans Act; then item No. 22 on the order paper, House in Committee of the Whole on the proposed measure to authorize and provide for the construction of a line of railway by the C.N.R.; then the second reading of Bill S-8 to amend the Central Mortgage and Housing Corporation Act; and then item No. 12 on the order paper, the measure to provide for the Indian Claims Commission.

Mr. Knowles: May I ask one question. Is it a fact there has been a change of plans regarding Monday and, if so, could that be put on the record?

Mr. McIlraith: Mr. Speaker, I was anxious not to put it on the record. The situation is that there had been a request that there be no Supply motion this coming Monday, and I have not been able to give a firm answer that there will not be a Supply motion on Monday. For that reason I have made no reference to it, but I hope to be able to give a firm answer on that point first thing in the morning.

[Mr. Deputy Speaker.]

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the House under Provisional Standing Order 39A deemed to have been moved.

REDISTRIBUTION—ONTARIO—PUBLICATION OF MAPS IN WEEKLY NEWSPAPERS

Mr. A. D. Alkenbrack (Prince Edward-Lennox): Mr. Speaker, I thank you for the time allotted to me tonight to bring before the House a matter regarding the failure of the Government to contact the Weekly Newspapers of Ontario in the publication of the maps and data regarding the Redistribution Act.

My point deals with discrimination against an important part of the Fourth Estate, the most important part of our news media in Ontario, the weekly newspapers.

This Government has again shown its capacity for downright stupidity, and has portrayed its usual ingrained arrogance in what has been allowed to happen this week with respect to advertisements under the Redistribution Act. The placing of approximately $250,000 worth of advertising exclusively in the columns of the big dailies is an indication of a certain complete consideration or, shall I say, Mr. Speaker, "value received", vis-à-vis, the daily papers to keep them quiet and clear of criticism regarding many evident gerrymanderings in the political redistribution. A good, timely cartoon, in this regard, would show the right hon. Prime Minister and the Secretary of State hurrying by the office of a small weekly paper, with furtive glances, on their way to their destination, the office of a large "daily" to which they intend to give all the business.

I submit that the advertising done under the Redistribution Act need not have cost a quarter of a million dollars; it needed to entail, possibly, only paying for the publishing of the maps. As for the other information concerning the boundaries of each constituency, any newspaper, weekly or daily, would be glad to publish this information free of charge as news. One weekly publisher in my riding wanted to publish this information as news and had to telephone Ottawa at his own expense to get the details. Another weekly publisher in Northumberland County had to do the same, while the Government was paying many thousands of dollars and giving full service, plus advance notice, to their favourites, the dailies.

Mr. Speaker, there are at least 215 weekly newspapers in Ontario, with a combined circulation of almost 600,000. The people who read these newspapers, a combined total of at least two million people, or one-third of our population, are people who either cannot afford, or do not choose, to pay the larger subscription rate which a daily naturally, must charge. And so these people look forward to getting their news via the local weekly.

I have no criticism to make of the dailies whatsoever, as to their valuable services. I believe that they have given value for the money which is spent in accordance with their rates, though of course those rates are much higher than the rates of the weekly papers. I submit that the readers of these weekly papers, 600,000 families, or at least two million people, have also been ignored and discriminated against by this Government. Every voter in Canada has the right to know the particulars of the redistribution of his or her constituency, and has the right to be reached. Moreover, every voter has the right to appeal the decisions of the Redistribution Commission if he wishes. This Government is, by its action, or lack of action, discriminating against hundreds of thousands of rural voters who subscribe to weekly papers only.

I have irrefutable proof of this in an example which I will cite in my riding where one rural route which was checked and assessed had 197 drops. Only eight of these drops take a daily newspaper. On that rural route last Tuesday, the day of publication of the Redistribution Commission information, eight families were fully informed regarding the future of their constituency while 189 families were left completely uninformed in this regard.

Mr. Speaker, the Ontario weekly newspaper editors protest the failure of this Government to recognize them as part of our news media. No one had any idea that the whole Province of Ontario would be treated in this way at a high cost per entry in the daily papers. I would give another example: The smallest daily in Ontario received this business, yet its circulation is only one-half that of a weekly paper five miles away.

There is another point, Mr. Speaker. That is the silence of the backbench Ontario Liberal Members, supporters of this Government, which demonstrates their complete agreement with and concurrence in this ludicrous policy which, of course, emanates from their masters, the Cabinet. This is nothing but an insult to the weekly newspapers and a failure to recognize their importance in the printing of public information.

• (10:10 p.m.)

In my question on Wednesday I asked if the Minister could now advise whether the weekly newspapers of Ontario are even yet going to be allowed to participate in publishing this information, and whether or not they will be authorized to do so for next week's publication. The Secretary of State (Mr. Lamontagne) answered this question in a roundabout way when he said that the suggestion made by the hon. Member for Ontario (Mr. Starr), who raised this matter last Monday, had been communicated to the Commission. I have since been informed that the Chairman of the Commission has been contacted on behalf of the editors of the Ontario weeklies and says he will take direction from Parliament in this matter.

I note that the Secretary of State, as reported at page 2334 of *Hansard* of June 14, in answering a question posed by the hon. Member for Bow River (Mr. Woolliams) gave the ridiculous answer that these Commissions are not agencies of the Crown and that they are not accountable to the Crown. These Electoral Commissions certainly are accountable to the Crown through the Crown's faithful servant, this Parliament. Now, Mr. Speaker, if the Government ignores this fact and its duties in this regard, they do so at their peril.

I therefore ask the Government, through the Secretary of State, to instruct the Redistribution Commission for Ontario to publish these matters pertaining to redistribution in the Ontario weeklies next week, and so correct this error and give the uninformed portion of the Ontario population this vital information to which they are entitled.

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I appreciate and share the concern of the hon. Member for Prince Edward-Lennox (Mr. Alkenbrack). May I say to him in as kindly a spirit as possible that I believe he misapprehends the powers of this Parliament as set out in the Act. I would point out to the hon. Member that under section 10 of the Act the following is provided:

> A commission is not an agent of Her Majesty and the members of a commission as such are not part of the public service of Canada.

Therefore it is my understanding that the Act which set up this Commission, and which if my memory serves me correctly was passed

by the House almost unanimously, put the powers of advertising in the hands of the Commission. However, I know the hon. Member will be pleased, as I was, to learn that the Secretary of State (Mr. Lamontagne) has communicated with Mr. Justice Richardson, Chairman of the Ontario Commission, asking that notice be taken of his request. I cannot vouch for this, but we are hopeful that there might be a favourable reply.

EDUCATION—STUDENT LOANS—INQUIRY AS TO IMPROVEMENTS IN PLAN

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, on Friday last the Minister of Finance (Mr. Gordon) tabled in the House a report with reference to the Canada student loan plan. This report dealt mainly with the administrative matters that have occupied the attention of the Federal-Provincial group. Yesterday in reply to a question which I asked concerning the student loan program, the Minister answered:

> It may be that at some appropriate time it will be desirable to bring in amending legislation, but I have no plans to do so at the moment.

This is the part of the Minister's answer with which I was dissatisfied and is the reason I am making a very few comments tonight. I would submit that some legislative provisions are needed and should be provided immediately so that students can make their plans for this fall when they enter university. The student loan plan is deficient in some matters of principle and not just in administrative matters. First, Mr. Speaker, I believe the plan should be expanded so that it is in the nature of a bursary loan plan under which a student who has shown exceptional promise in the school year and who has obtained a student loan would have the right to a write-off of part of the loan. This would recognize ability in the student who ordinarily might not have gone to university because of the financial situation and who might turn out to be a good student who would make a real effort in his studies.

They are people who I think should be encouraged. That is why I suggest there should be a bursary type of loan granted, and it should be granted right away. I would suggest that it take the form of cancellation of part of the debt incurred at the end of the school year, perhaps to the extent of 25 per cent for those people with a clear pass, and perhaps to the extent of a further 25 per cent for those in the top quarter of their class.

[Mr. Pennell.]

Another group who have not been covered by the plan are graduate students, and those students who have taken their full term and are going on to postgraduate work. I think the ceiling should be eliminated in respect of those people when they go into graduate work so that they can continue their studies. It might be said that this will not take place for a few years; but these people should know now whether they are going to run out of money before they have finished their work. I think it is essential that there be a provision made for graduate students who, in the normal course, will go beyond what is allowed under the loan plan. This is something which should also be attended to right away.

Finally, there is the group whose graduation is followed by an apprenticeship. This group comprises medical students, law students and similar persons, some of whom, I understand, have made a presentation to the Minister on this very point. While they may have graduated they are also engaging upon a further year of study. During this year they are paid only subsistence wages, if anything. They should not be required to start repayment of their loan or to commence paying interest on it, at least until their apprenticeship has been completed and another six months has passed.

There are other improvements in the loan plan which have come up in the past year and which have been suggested in various briefs to the Government. It is not sufficient at this time for the Minister merely to say that we are catching up with some of the administrative problems in relation to this plan and that perhaps at some time in the future we will reconsider the basics. I would much prefer to hear him say that the Government will look at this student loan plan seriously and make the amendments which are really necessary.

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): Mr. Speaker, in regard to the loan plan let me say at once, whether improvements should or should not be brought in, that the number of students assisted to date, or as of April 1, is 41,284. So in my respectful submission it does provide a very valuable service.

Several Federal-Provincial Conferences of officials have been held to discuss ways and means of improving the operations of the plan. At the last full Federal-Provincial meeting held on March 29, agreement on improvements was reached on those areas where it was felt that experience had demonstrated the lack of

harmony in the practices being followed. Full details of these arrangements were included with the statement of the Minister of Finance, which was incorporated as Appendix "A" in *Hansard* of June 11.

The purpose of these agreed arrangements is to ensure that the plan is available to students on as standard and consistent a basis as possible in all participating provinces. As hon. Members are aware the Canada Student Loans Act makes available to students, by virtue of the federal Government guarantee, a source of financing through the commercial banks and other approved lenders. All questions relating to the eligibility of students for loans and the designation of educational institutions which students may attend with the help of a student loan are administered by experienced provincial authorities who are designated for purposes of the Act by participating provinces. Co-ordination among the provinces concerning their administrative practices is not an explicit requirement of the Act, but of course does much to facilitate its purposes and objectives. No changes in the legislation are required to implement the type of arrangements that have recently been worked out. It may be that as more experience is gained with the plan it will prove desirable to bring in amending legislation.

• (10:20 p.m.)

I will convey the remarks of the hon. Member to the Minister. I must, however, tell him that at the present time there are no plans to make any amendments.

AGRICULTURE—FEED GRAINS—SPEECH BY FORESTRY MINISTER RESPECTING WHEAT BOARD

Mr. E. Nasserden (Rosthern): Mr. Speaker, I rise to discuss a matter of national importance and urgency. It arises out of the unwarranted and scurrilous attack made on the Canadian Wheat Board on June 11 at Drummondville in the province of Quebec by the Minister of Forestry (Mr. Sauvé). This in itself is a serious matter, but when it is coupled with the deliberate result of driving a wedge between farmers in separate parts of this nation, then I say it is encouraging the destruction of Canadian unity and purpose. That is not something new in the Ministry opposite.

Indeed, I recall recently when farmers from Ontario and some parts of Quebec came to the Chateau Laurier at Ottawa. I recall the Minister of Agriculture (Mr. Hays) at that time referring to the hon. Member for Humboldt-Melfort-Tisdale (Mr. Rapp) by name, indicating that he would not consider representations from that particular quarter because he thought it might challenge the interests of farmers in Eastern Canada. Again, this same kind of practice drove a wedge between the farmers of different parts of this country.

Of course, we all know it was the Prime Minister (Mr. Pearson) who, during the election campaign of 1963, travelled through other parts of Canada stating that if he was elected he would do for them what John Diefenbaker had done for Western Canada. That tactic was employed by the Prime Minister, that man who was billed by his Party as a man who cares. I ask you, Sir, where the search for unity and purpose of this country is when the men in the ministerial benches opposite go about making statements such as those which have been made.

I have before me the text of the speech delivered by the Minister of Forestry, and I must say that for the most part this is fiction and prejudice, and not much else. These remarks echo the stand taken by the grain brokers of Eastern Canada. This is the old story of these particular interests which have controlled the distribution of feeds and grains in Central and Eastern Canada. This is the old story of these people challenging the efficiency and purpose of the Canadian Wheat Board. This is the old story of these people attacking the orderly method of marketing grain as being the source of their trouble.

I contend that it is a much different matter to have a Minister of the Crown who is one of the three Ministers charged with the responsibility for agriculture taking up this particular cry. The question must be asked, why this alliance of Ministry and grain brokers at this particular time. It seems to me that in respect of this whole matter which reputedly was supposed to deal with feed grain, the Minister is more interested in the brokers and the grain trades than in the farmers.

What does the Minister mean by juggling of the Wheat Board quota; and I should like the Parliamentary Secretary opposite to give an answer, because that is a serious charge and it should be substantiated or withdrawn. What does the Minister mean by adjusting interim payments? Has this situation developed during the period the Minister of Trade and Commerce (Mr. Sharp) has been charged with the responsibility of the Wheat Board operation? I remember a former Minister of

Agriculture in a former Liberal Government, the late James G. Gardiner, and the adjustment he made just prior to an election campaign. Is the Minister of Forestry suggesting that the present Minister of Trade and Commerce is indulging in the same type of tactic at this particular time in directing interim payments from the Canadian Wheat Board?

• (10:30 p.m.)

The Minister has charged that interim payments have been adjusted. This is a serious charge and I contend that it should be withdrawn. The Minister charges that the Board has regulated the allotment of box cars in such a way as to bring about an artificial rationing of feed grain availabilities. This is not only a serious charge but a mischievous one and it should be withdrawn. All of the evidence I can find refutes the Minister's statement in that regard, and the figures of the Canadian Wheat Board show that this is not the case at all.

I know that the Minister, the Parliamentary Secretary and others across the way have boasted about what they did with regard to the feed grain situation last year and the supplies they laid in in Eastern positions. During the period since then the fluctuations in price have been greater than ever before.

The Minister has charged that the Wheat Board operations have resulted in erratic production of feed grains. I say to you, Mr. Speaker, that that charge is unworthy of the Minister and the Government opposite. The annual report of the Canadian Wheat Board shows that yields have fluctuated from a high of 46.2 bushels per acre in 1956 to a low of 25.2 bushels per acre in 1961. The fluctuation in barley yields has been equally respondent to weather conditions. In the matter of feed wheat grades I ask the Parliamentary Secretary, what can the Canadian Wheat Board do about rust, frost or moisture content?

The Minister went on to say that in Eastern Canada the acreage sown to feed grains is constantly diminishing. It is natural for that to take place when the demand for improved pasture is as great and as economically sound in eastern Canada as it is today. When you consider the price levels of feed grains from Western Canada over the last 10, 12 or 20 years you cannot help but realize that throughout the period right up to the present time these grains have generally been sold by the Canadian Wheat Board at price levels that cannot be touched by producers in other parts of Canada.

I want to conclude by saying that the Government has been guilty of gross negligence in failing to take action with regard to the provision of feed grains for the farmers of Eastern Canada, and to try to place the blame on the Canadian Wheat Board is an action that is unworthy of any Member of the Government.

Mr. B. S. Beer (Parliamentary Secretary to Minister of Forestry: Mr. Speaker, I wish to express my appreciation to the hon. Member for having brought this important matter to the attention of the House. I am confident that it was not the intention of the Minister of Forestry (Mr. Sauvé) to cast any aspersions on the operations of the Canadian Wheat Board.

I think I can speak for the Government and for the Minister of Trade and Commerce (Mr. Sharp) in particular, who is directly responsible for the Canadian Wheat Board, in saying that no one has expressed greater confidence in the Board than have the Government, and especially the Minister of Trade and Commerce. It is a matter of very great pride to all Canadians that the orderly marketing of grain in western Canada is in such competent hands. The Wheat Board is envied by other nations throughout the world, which wish that they had marketing agencies that could do the job the Canadian Wheat Board has done for the West and for Canada generally.

This agency was established, of course, for the purpose of bringing about the orderly marketing of grain. Certain responsibilities were placed on the Board by statute and the Board has discharged those responsibilities to its very great credit and to the credit of the country as a whole. I am confident that when the Minister of Forestry was speaking in Eastern Canada it was not his intention, nor would it be the wish of the Government, to cast any reflection on the excellent operation that has been conducted throughout the years by the Canadian Wheat Board. Grain is a very important commodity in Canadian exports and the orderly handling of this product is of national importance.

So, I can say on behalf of the Government and the Minister of Forestry, it was not his intention in any way to cast any reflections but to express confidence in the Canadian Wheat Board and to hope that their operation would continue to be as successful in the future as it has been in the past.

Motion agreed to and the House adjourned at 10.32 p.m.

HOUSE OF COMMONS

Friday, June 18, 1965

The House met at 11 a.m.

EXTERNAL AFFAIRS

VIET NAM—ESTABLISHMENT OF COMMONWEALTH PEACE MISSION

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address a question to the Acting Prime Minister. In view of the announcement from London that a Commonwealth peace mission will seek to end the war in Viet Nam, could the Acting Prime Minister, in his usual terse and informative manner, give the House the benefit of information he undoubtedly has received from London in this regard? Could he also state what is Canada's position with regard to the touring peace mission; and why was the decision made that the Prime Minister of Canada would not be one of the Commonwealth leaders represented on this mission, in view of Canada's great interest in securing stability and peace in the international sphere?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, the day before yesterday I told the right hon. Leader of the Opposition that the Government had received a communication from the British Government and that we were aware of a proposal which was going to be made the following day by the British Prime Minister. That proposal was made yesterday and was accepted by the Commonwealth Prime Ministers' Conference. It provides for the Prime Ministers of the countries designated, under the chairmanship of the British Prime Minister, to proceed first to the United Nations Secretary General, then to other interested countries, the United States, South and North Viet Nam, the Chinese People's Republic, and the Soviet Union, with a view to impressing on all governments concerned the desirability of entering into discussions that might bring about an end to hostilities in Viet Nam.

The Prime Minister of Canada was interested and active in suggestions with regard to this proposal. His well known participation in endeavours to provide for conditions of peace in the world, which brought him the Nobel peace prize, was undoubtedly considered when it was proposed that he be a member of this group. The Prime Minister of Canada, rightly in my judgment, took the position that, as it was desirable to have a balanced representation on this delegation of Prime Ministers of the Commonwealth it would be better if this balance were preserved. It is not that the Prime Minister did not want to participate; it is because he thought if the move were to be successful the mission must represent as many sections of the Commonwealth as was possible. This view was finally concurred in by other members of the conference.

I am sure I express the views of this Parliament, Mr. Speaker, when I say that we sincerely hope all governments concerned will receive this delegation, which represents the most important single grouping of nations in the world. The delegation will undoubtedly express, what I think most people would want them to express, namely that the problem of Viet Nam can be resolved better by conciliation and discussion than by the use of force.

Mr. Starr: A supplementary question. The Acting Prime Minister said that the reason for the Canadian Prime Minister not being included in this peace mission was to preserve a balance. I wonder whether he could explain to us, because of the doubts I have on this aspect, what he means by "balance"?

Mr. Martin (Essex East): Mr. Speaker, I hope my hon. friend will not seek to give the impression—I know he would not wish to because he wants this mission to succeed, as we all do—that the position taken by the Prime Minister is open to question. The Prime Minister of Britain represents the western group of the Commonwealth in this delegation. If the Prime Minister of Canada were also to be included in this delegation of five, this would mean there would be representation from two western countries which are members of NATO. I think the position taken by the Prime Minister of Canada was not only proper but wise.

Inquiries of the Ministry

INDIAN AFFAIRS

COURT DECISION RESPECTING PROVISION OF MEDICAL CARE

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I want to direct a question to the Minister of National Health and Welfare regarding a Canadian Press dispatch from Regina which says that the Saskatchewan health department will appeal a magistrate's ruling that all Indians should receive free hospital and medical care from the Federal Government. The dispatch goes on to say that Health Minister D. G. Stewart, in a press release yesterday, said that the appeal decision was made after consultation with Federal Government officials, and that these officials were of the opinion that the ramifications of the judgment are such that the case should be appealed.

I want to ask the Minister whether this statement is correct and, if it is, why the Canadian Government is endeavouring to evade its responsibilities in supplying health services to the Indians of this country.

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Mr. Speaker, the statement is quite correct. The Minister of Health and the Attorney General of Saskatchewan have notified us of the result of the case, and consultation has been had with the Immigration Branch and the Department of Justice. The appeal will be taken because of the very far-reaching implications of the decision.

My hon. friend will recall that when he was Premier of the Province which brought in medicare legislation he did not include Indians, who thus became a different class of citizen. It is considered for the native people of the country extraordinarily important that this treaty, which contains health provisions similar to those of other treaties, be construed by a court higher than a magistrate's court so the matter may be settled once and for all.

Mr. Douglas: I have a supplementary question, Mr. Speaker. In view of the fact that the health and welfare of the Indian people are directly involved in the decision which may follow from this appeal, and as Indians are wards of the Government of Canada, will the Minister give consideration to the supplying of counsel, or looking after whatever expenses may be involved in procuring counsel, so the Indians' side of this case will be adequately represented when this matter comes before the court?

Miss LaMarsh: Mr. Speaker, perhaps my colleague the Minister of Citizenship and Immigration is able to throw more light on this question.

Hon. J. R. Nicholson (Minister of Citizenship and Immigration): Mr. Speaker, if I may I would like to supplement what the Minister of National Health and Welfare has said.

The prime concern of my Department is the welfare of the Indians. When this matter was first raised in this House and reference was made to the article in the newspapers which reported the court's decision, I gave the assurance that my Department would see to it that the Indians were provided with good counsel, if they so desired. I should like that statement to be given as much publicity as possible so that if the Indians feel they need help from my Department, they will know that help will be made available in order that their interests will be safeguarded.

Mr. Douglas: May I ask the Minister whether it would not be much simpler and save a good deal of legal expenses on the part of the Department for the Indian Affairs Branch to accept the decision of the magistrate and provide these people with the health services to which they are entitled under the terms of the treaty?

Mr. Nicholson: Having practised law for a few years before I drifted into business I would say that we should not impose counsel on a client, but that it is for the litigant himself to come forward and state that he needs counsel. This individual litigant had counsel, who was successful in the lower court, and he might want that counsel to continue. If financial assistance is needed by that counsel, it will be provided within reasonable limits. If he wants to retain counsel we will see that he is able to do so, but the request must come from the litigant himself.

Mr. Douglas: Mr. Speaker, I am afraid the Minister misunderstood my question. I did not ask him about counsel. I asked him whether it would not save a good deal of legal expense on the part of the Federal Government if the Indian Affairs Branch merely accepted its responsibility for providing health services to the Indian people.

Mr. Nicholson: That is a matter of Government policy, and the responsibility has been delegated to another branch of Government. In this particular case there is a legal ques-

tion involved of far-reaching consequences, and it has nothing to do with the point raised by my hon. friend. His question involves Government policy. A decision has been made to leave the health care of the people of Canada, to the extent that it is a Federal responsibility, in the hands of my colleague the Minister of National Health and Welfare.

[*Later:*]

Mr. G. W. Baldwin (Peace River): I have a question for the Minister of Citizenship and Immigation which arises out of an answer he gave earlier. In view of the fact that this particular decision in Saskatchewan concerns the interpretation of a treaty in which the Federal Government is involved, and the fact that if the decision is sustained it will impose a liability upon the Government, will the Government give consideration to intervening by counsel and, if such is the case, indicate to the House the Government's view on such intervention?

Mr. Nicholson: I will take the question as notice. I thank my hon. friend for having raised it. I might say I have discussed the matter with the Minister of Justice and with my colleague the Minister of National Health and Welfare. Personally I would be sympathetic to such a suggestion, but the responsibility must and does rest with the Minister of Justice.

AGRICULTURE

FEED GRAINS—SPEECH BY FORESTRY MINISTER RESPECTING WHEAT BOARD

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to ask the Minister of Forestry whether, upon reflection, the speech he made respecting the Canada Wheat Board represents Government policy and, if that is so, whether it is the intention of the Government to substantially change the authority and the activity of the Canadian Wheat Board in keeping with what the Minister said.

Hon. Maurice Sauvé (Minister of Forestry): Mr. Speaker, my address at Drummondville was delivered in French, and it is evident in the translation—

Some hon. Members: Oh, oh.

Mr. Sauvé: Wait, please.

Some hon. Members: Oh, oh.

Mr. Sauvé: It is evident from the translation that some words in English have a different meaning than they have in French. In any case—

Mr. Grafftey: That's absolute nonsense.

Mr. Sauvé: In any case, I think—

Some hon. Members: Oh, oh.

Mr. Sauvé: I think if all the hon. Members were bilingual they would realize there is a distinction between the meaning of some words in French and some words in English. Take the words "demande" and "request". They have different meanings.

Mr. Deputy Speaker: Order, please. I should like to suggest to the Minister that he reply to the question asked him.

Mr. Sauvé: I was interrupted by hon. Members, Mr. Speaker. In any case, it was not my intention in my speech at Drummondville to criticize the operations of the Canadian Wheat Board, and if any of my words can be interpreted in this way I wish at this time to correct them. I share with all my colleagues the Government's confidence in the Canadian Wheat Board—

Some hon. Members: Oh, oh.

An hon. Member: Since when?

Mr. Sauvé: —but I am also very much preoccupied with the well-being of the farmers in eastern Canada and in British Columbia.

Mr. Jorgenson: A supplementary question—

Mr. Deputy Speaker: Order, please. Is the hon. Member for Medicine Hat rising on a supplementary question?

Mr. H. A. Olson (Medicine Hat): Yes, Mr. Speaker. I should like to ask the Minister if he will provide Members of the House with his interpretation in English of what he said in Drummondville.

Mr. Sauvé: Copies have already been distributed in French to the French Members and in English to the English Members. What I said is clear. It was not my intention to criticize the operations of the Canadian Wheat Board. This is clear, and I stand on it.

Mr. W. H. Jorgenson (Provencher): A supplementary question, Mr. Speaker. Notwithstanding the very weak excuse given by the Minister of Forestry, now that the Acting Prime Minister has had an opportunity to read the speech does he agree with the statements made by the Minister of Forestry and

the charges he made against the Canadian Wheat Board?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, the Minister of Forestry has made a statement which is in accord with Government policy.

Some hon. Members: Oh, oh.

An hon. Member: Which one?

Mr. Martin (Essex East): The Government's policy has been repeatedly stated by the Minister of Trade and Commerce, and it is that the Government has confidence, as the Minister of Forestry has just said, in the Wheat Board. That is the Government's policy and that is what my hon. friend should be content to receive.

Mr. Jorgenson: Mr. Speaker, we simply cannot be content with that reply.

Mr. Deputy Speaker: Order, please.

An hon. Member: Liberal arrogance.

FEED GRAIN—REQUEST THAT IMPORTATION BE PERMITTED

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lac-Saint-Jean): Mr. Speaker may I direct a question to the Minister of Trade and Commerce in his capacity as minister responsible for the Canadian Wheat Board?

In view of the fact that eastern farmers will probably be unable to get feed grain at a reasonable price from the Canadian Wheat Board and since the board intends to keep on exploiting those eastern farmers, would the Minister of Trade and Commerce allow the importation of feed grain from the United States, Russia or other countries, and also grant a freight subsidy in that respect if farmers in the rest of Canada want to take advantage of this opportunity?

[*English*]

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, I do not accept any part of the preface to the question posed by the hon. Member, so it becomes hypothetical so far as I am concerned.

Mr. Lessard (Lac-Saint-Jean): That is what is taking place and has taken place over the years.

[Mr. Jorgenson.]

POTATOES—REQUEST FOR INQUIRY INTO PRICE INCREASE

On the orders of the day:

[*Translation*]

Mr. Raymond Langlois (Mégantic): Mr. Speaker, I should like to put a question to the Acting Prime Minister or the Minister of Trade and Commerce.

In view of the fact that the price of Canadian potatoes has recently reached a very high level, namely approximately 9 cents a pound for last year's potatoes and 11 or 12 cents for this year's, does the Minister not agree that it would be timely to look into the matter with a view to ascertaining who controls the price of potatoes, inasmuch as they sell for about ¾ cents a pound in the fall and Quebec and Ontario farmers could easily produce more than 10 per cent of the Canadian demand?

[*English*]

Hon. Mitchell Sharp (Minister of Trade and Commerce): I am sorry, Mr. Speaker, but I do not think this is a suitable question for the orders of the day. However, I will take it as notice and see if it is possible to answer it.

BUSINESS OF THE HOUSE

INQUIRY AS TO PROGRAM FOR MONDAY, JUNE 21

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I should like to direct a question to the Government House Leader. Can he tell us now what he expects the program to be on Monday so that we may be able to prepare ourselves accordingly?

Hon. G. J. McIlraith (President of the Privy Council): Mr. Speaker, on Wednesday last, as appears on page 2480 of *Hansard*, the Acting Prime Minister indicated that on Monday we would be introducing a supply motion in order to give Members of the House, if they wished to do so, an opportunity to debate the matter of an address to Her Majesty respecting a provincial constitution. Yesterday a request came from the Leader of the Opposition that we not take a supply motion on Monday. We are agreeable to not introducing a supply motion on Monday, and we will be proceeding with the legislation on the order paper.

HOUSE OF COMMONS

DELAY IN DISTRIBUTION OF FRENCH "HANSARD"

On the orders of the day:

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, the Secretary of State being absent, I shall put my question to the Acting Prime Minister.

Once again this morning I find that, while we have our English copy of *Hansard*, we are still waiting for the French. Why this difference in the distribution of *Hansard* to members? This morning we would like to get our French copy at the same time as the other. What is the reason for this time lag between the distribution of English and French *Hansard*?

Hon. Paul Martin (Acting Prime Minister): I share the feelings of the hon. member entirely. I do not know the exact reason, but I think one of the translators is ill. At any rate, I shall inquire and try to settle the matter.

[*English*]

LABOUR CONDITIONS

REPORTED DISCRIMINATION BY AIR LINES AGAINST MARRIED WOMEN

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I desire to direct a question to the Acting Prime Minister of which I have given notice. It is of urgency and importance to all women in employment. My question is, in view of an arbitration board decision that air lines have the right to dismiss a female employee for having changed her status from a single to a married person, will the Government give immediate consideration to amending the Bill of Rights or any other appropriate act of Parliament to stop this unwarranted, un-Canadian discrimination against married women?

Mr. Deputy Speaker: Order, please. May I suggest to the hon. Member that he has made his point at the moment. Perhaps if he wants to pursue it further he may put a question on the order paper.

Mr. Winch: May I say that I presented this question to the Acting Prime Minister two days ago, and I understand he is prepared to give an answer.

Hon. Paul Martin (Acting Prime Minister): In fairness to the hon. gentleman, it is true that two days ago he did speak to me and

sent me notice of this question. I had hoped to be able to deal with it today, but I cannot. I hope to be able to deal with it next week in one way or another.

VETERANS AFFAIRS

REQUEST FOR EARLY INTRODUCTION OF LEGISLATION

On the orders of the day:

Mr. C. F. Kennedy (Colchester-Hants): I have a question for the Minister of Veterans Affairs. In view of the Prime Minister's statement in the House on Wednesday, June 9, that veterans legislation was to receive priority attention in this session; and in view of the Minister's assurance to the same effect given in the Standing Committee on Veterans Affairs, can the Minister now state when this legislation will appear on the order paper so that Members may have ample time to study it in advance of debate?

Hon. Roger Teillet (Minister of Veterans Affairs): The hon. Member may have noticed the two resolutions which appear on today's order paper, and I hope to have two others placed there during the course of next week, I hope early in the week.

EDUCATION

NOVA SCOTIA—REQUEST FOR INCREASED GRANTS TO UNIVERSITIES

On the orders of the day:

Mr. Gerald A. Regan (Halifax): In view of the extreme shortage of funds experienced by some Nova Scotia universities, and in view of the fact that Ontario universities received grants in the vicinity of $280 per student as against $180 per student in Nova Scotia, will the Minister of Finance indicate when plans for changes in the grants system to overcome this inequity will be announced, and what they will be?

Hon. Walter L. Gordon (Minister of Finance): I have stated in the House in answer to other questions that the Government will have to wait for the Bladen report before deciding exactly what should be done. However, I expect this whole question will be discussed at the Federal-Provincial Conference starting July 19.

Mr. Regan: I should like to speak on this matter on Monday evening at ten o'clock.

Mr. Lloyd R. Crouse (Queens-Lunenburg): A supplementary question to the Minister of Finance arising out of the reply he gave to

the hon. Member for Halifax. The Minister stated that no consideration can be given to the provision of increased grants to our universities until the report of the Bladen Commission has been received. Since his colleague the Secretary of State did not find it necessary to wait for the report of the Fowler Commission before announcing the implementation of colour television at Expo' 67, would the Minister not agree that education in our universities is more important than colour television?

Mr. Deputy Speaker: Order, please. This is an argument.

INDUSTRY

MANITOBA—GRANTS TO COMPANIES IN DESIGNATED AREAS

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): I have a question for the Minister of Finance. No doubt he has read of the chronic unemployment situation in northern Manitoba as reported by the Provincial Government. In view of the fact that upwards of 50,000 people in northern Manitoba are unemployed, would the Minister not review his decision with respect to excluding this area from the areas designated for industrial development?

Hon. Walter L. Gordon (Minister of Finance): The Government regrets very keenly that there are areas of Canada where unemployment is still much too high. I would remind the hon. Member that the over-all rate for May, 1965 was the lowest it has been for eight years.

Some hon. Members: Hear, hear.

Mr. Gordon: So I think the Government, and indeed all Members of the House, can take some satisfaction in the success of the policies which have been introduced to deal with this problem.

The particular policy to which the hon. gentleman referred is not in our opinion the kind of policy which should be continued beyond the date set for its termination under legislation approved by this House. We are examining all the kinds of policies which could be used to deal with a particular question of this kind.

Mr. Dinsdale: Of course I am aware of the success of the programs initiated back in 1960, but is the Government not going to initiate some policies of its own?

Some hon. Members: Hear, hear.

[Mr. Crouse.]

Mr. Robert Simpson (Churchill): My question is supplementary to the one which was directed to the Minister of Finance by the hon. Member for Brandon-Souris. The Minister appeared to imply that the question related to the program which the Government is discontinuing. I am sure the question asked by the hon. Member for Brandon-Souris relates, as does mine, to the newly announced program of grants in certain areas to encourage industrial growth. In view of the fact that northern Manitoba has been completely ignored, does the Minister think the areas in which so many native Indians and Métis live are not worthy of receiving this assistance at the present time?

Mr. Gordon: I answered a similar question from the hon. Member a few days ago.

Mr. Simpson: A supplementary question—

Mr. Deputy Speaker: Order. We have had a number of supplementaries on the same question. We have only a few minutes still available.

BILINGUALISM AND BICULTURALISM

VANCOUVER—QUESTIONS ASKED BY COMMISSION REPRESENTATIVES

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I desire to direct a question to the Acting Prime Minister. I regret not having given him notice, but this matter came to my attention only a few moments ago. It is of the most urgent nature.

I should like to ask the Acting Prime Minister whether it has come to his knowledge that a number of people in Vancouver have recently been asked by people who say they represent the Commission on Bilingualism and Biculturalism to answer a list of 199 questions, two of which are as follows: "Did you vote for Prime Minister Pearson in the last election?" and "Do you intend to vote for Prime Minister Pearson in the next election?" I should like to ask the hon. gentleman whether this type of questioning is acceptable and in line with the authority given to the Commission on Bilingualism and Biculturalism.

Hon. Paul Martin (Acting Prime Minister): I was not aware of this, but I will have to look into it. I may say that if these questions were put to me I would have no difficulty in answering them.

Some hon. Members: Oh, oh.

Mr. Winch: I wish to ask a supplementary question. As a rule I do not ask supplementary questions because they hold others back. If the Minister cannot give a non-political answer, would he state whether an investigation will be made to determine whether this type of question should be directed to citizens under the authority of a commission on biculturalism and bilingualism?

Mr. Deputy Speaker: May I suggest the hon. Member is making an argument now rather than seeking information?

Mr. Martin (Essex East): Will you permit me, Mr. Speaker? I am sure the hon. Member is quite sincere in asking this supplementary question, as he was in his primary question. I did answer it. I said I would look into the situation at once.

Mr. Erik Nielsen (Yukon): Perhaps the Acting Prime Minister is in a position to answer the question I put to him yesterday concerning the activities of the B and B Commission in Yugoslavia.

Mr. Martin (Essex East): I regret that I am not. I will try to be next week.

ADMINISTRATION OF JUSTICE

TORONTO—PRODUCTION AND C.B.C. SHOWING OF SEX EXPLOITATION FILM

On the orders of the day:

Mr. Ralph Cowan (York-Humber): I wish to direct a question to the Acting Minister of Justice. Will the Department of Justice be taking any action against C.B.C. employees Ted Leversuch, John Cavall, Phil Styles, Peter Douett and John Ashley, who have recently aided Independent Film Artists Limited, of Toronto in producing the sex orgy film "Room for a Stranger", at Lakeshore Studios in Toronto? Is not this sex exploitation film, which features Jean Christopher, currently appearing on the C.B.C. program "Nightcap" in violation of section 150 of the Criminal Code?

Mr. Deputy Speaker: Order. This is a question for order paper.

PUBLIC SERVICE

SUPERANNUATED FEDERAL EMPLOYEES—REQUEST FOR INCREASED PENSIONS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Acting Prime Minister. Last Monday the Minister of Finance indicated in reply to a question that he had not received any request for reconsideration of the decision regarding the pensions of superannuated civil servants. Would the Acting Prime Minister check to ascertain whether the Prime Minister has received any such communications and whether the Government is giving consideration to the request for an improvement in the pensions of retired civil servants?

Hon. Paul Martin (Acting Prime Minister): I will have to take that question as notice and hope to reply to it later.

TRADE

CHEESE—STEPS TO INCREASE EXPORTS TO U.S.

On the orders of the day:

Mr. G. H. Doucett (Lanark): I have a question for the Minister of Trade and Commerce. According to the President of the National Dairy Council of Canada our exports of cheese to the United States are restricted to 600,000 pounds annually while the United States exports to Canada two million pounds a year. What steps are being taken by the Government in order that our exports may be increased?

Hon. Mitchell Sharp (Minister of Trade and Commerce): As a result of representations made since this Government took office we have had the quota increased once, and I hope we shall achieve another increase when the quota is next revised.

• (11:40 a.m.)

WAYS AND MEANS

The House in Committee of Ways and Means, Mr. Lamoureux in the Chair.

CUSTOMS TARIFF

Resolved, 1. That the Customs Tariff be amended by adding thereto, immediately after section 16 thereof, the following section:

17. (1) The Governor in Council, by order, may from time to time amend

(a) Schedules A to C, and

(b) any lists of articles or goods the duties on which are removed or reduced pursuant to any Act or any order in council under the Customs Act or this Act,

by renumbering the items set out in Schedules A to C or in any such list but not so as to affect the status of any of those items with respect to the payment of duty.

(2) On and after the coming into force of an order under subsection (1) a reference by its former number in any Act or in any statutory or other instrument or document to any item renumbered by that order shall, unless the context

otherwise requires, be construed to be a reference to that item as renumbered by the order.

(3) The Minister of National Revenue may, from time to time by publication in Part I of the Canada *Gazette*, give notice of any change required to be made, by virtue of an order under subsection (1), in any reference in any Act or in any statutory or other instrument or document to an item renumbered by the order where the reference thereto is by the former number.

2. That Schedule A to the Customs Tariff be amended by striking out tariff items 209 E, 210i, 263e, 384, 440m(1), 440n(1), 445z, 541a(2) and 695(c), 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:

3. That Schedule B to the Customs Tariff be amended by inserting therein the following item, enumeration of goods and rate of drawback of duty:

4. That Schedule C to the Customs Tariff be amended by striking out item 1,220 and the enumeration of goods set opposite that item, and by inserting therein the following item and enumeration of goods:

5. That Schedule C to the Customs Tariff be amended by inserting therein the following item and enumeration of goods:

6. That any enactment founded upon resolutions 2, 3 and 4 of the foregoing resolutions shall be deemed to have come into force on the 27th day of April, 1965, and to have applied to all goods mentioned in the said resolutions imported or taken out of warehouse for consumption on or after that day, and to have applied to goods previously imported for which no entry for consumption was made before that day.

7. That any enactment founded upon resolution 5 of the foregoing resolutions shall come into force on the 1st day of January, 1966, and shall apply to all goods mentioned in the said resolution imported or taken out of warehouse for consumption on or after that day, and shall apply to goods previously imported for which no entry for consumption was made before that day.

The Chairman: Order. House again in Committee of Ways and Means, Customs Tariff resolutions. When the Committee rose last evening resolution No. 5 was being considered.

Mr. Lambert: Mr. Chairman, at the adjournment hour last night the hon. Member for Port Arthur had called it ten o'clock, but he is not here today. He had raised a number of points with regard to paragraph 5. I had done the same a few minutes earlier, and I think in view of the rather complex nature of this item we will want a complete explanation from the Parliamentary Secretary.

The Chairman: Order. Perhaps the hon. Member would be kind enough to wait a minute until order has been restored in the Committee. Order, please. Would hon. gentlemen resume their seats?

Mr. Lambert: I take it that the Parliamentary Secretary is now prepared to give us the explanation with regard to paragraph 5 and the proposed item 1221.

[Mr. Sharp.]

Mr. Pennell: Mr. Chairman, I believe the only questions remaining unanswered are those raised by the hon. Member for Edmonton West and the hon. Member for Port Arthur. I must say that the questions they did raise appear to me to be of considerable substance. Perhaps I might deal with a question raised by the hon. Member for Port Arthur. As reported at page 2589 of *Hansard* the hon. Member asked this question:

> —under the guise of some kind of culture some Canadian magazine in existence, and it might even be a defunct property like *Liberty* which probably has a copyright and is entitled to the name, to merge with some United States publications so that we would get a situation where we have in effect a replica of the *Time* and *Reader's Digest* situation.

I must concede at once that this appeared to me to be a very valid question, and I did not see the solution in the Customs Tariff Act. However, the officials have directed my attention to the Income Tax Act and I believe the answer can be found there. In other words, the hon. Member for Port Arthur was inquiring whether it would be possible for a large foreign publishing organization to make use of the title of a defunct Canadian periodical and so have in Canada a periodical which would draw its editorial matter from different periodicals in the United States or elsewhere. I should like to point out that under the income tax resolution such a publication, even though printed in Canada, would not qualify as Canadian by virtue of section 5(a)(ii)(F). Perhaps, Mr. Chairman, I may refer to that section, which defines what is meant by "Canadian issue":

> but does not include an issue of a periodical
> (E) that is produced or published under a licence granted by a person who produces or publishes issues of a periodical that are printed, edited or published outside Canada—

Then going to subparagraph (F):

> the contents of which, excluding advertisements, are substantially the same as the contents of an issue of a periodical, or the contents of one or more issues of one or more periodicals, that was or were printed, edited or published outside Canada;

I believe that covers the very fundamental point raised by the hon. Member for Port Arthur. He went on to raise a further question. The hon. Member was concerned about the effect of this legislation on the entry into Canada of publications such as *Saturday Evening Post, New Republic, Harper's* and other prominent publications which circulate

nationally both in the United States and in Canada.

May I say, Mr. Chairman, that it does not seem to me, with respect, that the proposed tariff item will have much effect on the circulation of this type of publication in Canada. None of these periodicals, so far as I am informed, at present publishes split runs or regional editions, and to this extent they will not be affected by the provisions of item 1221 (1). These periodicals, of course, like all foreign periodicals will be required to meet the test of item 1221 (2). In other words they will have to ensure that not more than 5 per cent of the advertising space in any issue consists of space used for advertisements indicating specific sources of availability in Canada. I doubt very much whether this will prove to be a very onerous requirement for these publications, and I believe that most of the foreign periodicals which circulate in Canada are already meeting these requirements.

The hon. Member went on to raise a third question about the scope of the exemptions in the proposed tariff item as they relate to such publications as coin catalogues. I acknowledge that this is a matter that would have to be examined very carefully by the customs officials in each individual case to see whether the publication in question was a genuine catalogue or simply a trade magazine. This is going to require the exercise of judgment, but I think so far as these catalogues are concerned the officials have been on the whole rather generous in their interpretations.

The fourth point raised by the hon. Member for Port Arthur dealt with special issues of publications devoted to Canada. The question here is whether they are special editions for circulation in Canada, in which case they would be prohibited under item 1221 (1) if they contained any advertisement primarily directed to a market in Canada. So that while it may be a special edition devoted to Canada, the test is whether the advertising is primarily directed to a market in Canada. For instance, you could have a special issue devoted to Canada but directed to a market in the United States. You might have a travel magazine publishing a special issue to bring tourists into Canada, so the advertising would be directed to people in the United States although there would be a special issue devoted to Canada.

I should also point out that if a travel magazine published a special issue devoted to news and articles about Canada, and the edition that it was proposed to circulate in Canada was the same as all editions distributed in the country of origin, it would qualify for entry under 1221 (1). It would, of course, still be subject to the test under item 1221 (2). The last few lines of 1221 (2), if I could draw them to the attention of the Committee, provide in effect an exemption from prohibition in such special issues if they are not directed primarly to a market in Canada.

I believe I have touched on the main points raised by the hon. Member for Port Arthur. I must apologize openly, but I misplaced my notes and have not been able to look at the questions raised by the hon. Member for Edmonton West. If he would be kind enough to bring them to my attention again I will endeavour to do my best to answer them.

Mr. Lambert: Mr. Chairman, I was particularly interested in the effect of Schedule C to the Customs Tariff. As the Parliamentary Secretary knows, the Customs Tariff schedules form a monumental book which is not available to Members generally. I did have a copy at one time, but I had to return it to the Department. What is the effect of Schedule C? Is this a category of prohibited goods? Is it a particular level of tariff? I doubt that very much, because there are no rates spelled out in the resolution. Therefore I assume that this may be a prohibitive type of regulation.

• (11:50 a.m.)

I find it rather difficult to understand how we can justify prohibiting the entry of a magazine or periodical into this country, even if it included a split run, with advertising directed primarily to Canadians. What is going to be the effect of the inclusion in Schedule C of this type of periodical? If there is to be a complete exclusion, then of course there is restriction of another kind, a form of censorship; a restriction in the circulation of publications. On the other hand, if this provision means that there shall be some special customs rate applied by way of deterrent to this type of periodical so as to make it not competitive, or the Canadian advertisers are to be denied the income tax expense allowance on the cost of advertising, then we should like this point cleared up.

In addition, the Parliamentary Secretary will note the item 1221 (1) speaks of regulations prescribed by the Governor in Council and refers to an effective date of September 30, 1965. I assume that is when the provision "Thou shalt not enter" will come into force.

Mr. Pennell: The date is January 1, 1966.

Mr. Lambert: Well, there are two dates. Item 1221 (1) says:

> Issues of a periodical, one of the four immediately preceding issues of which, if such preceding issue is dated after September 30, 1965, has, under regulations prescribed by the Governor in Council—

Now, when is it anticipated that the Governor in Council will make these regulations? Would these regulations be specifically tabled in the House? I note they will have to be published in the Canada Gazette, but this is such an important area of activity on the part of, shall we say, Canadianization or the sanitization of Canadians that I think the House must be extremely careful and jealous of just what is going to be done. After all, this House may give conditional approval to this type of provision—although I personally have some doubts about it—which could be completely extended under the regulations prescribed by the Governor in Council. This would be a wonderful opportunity for the committee on delegated legislation which has been proposed by the Committee on Procedure, and which many Members on this side would have included in Standing Order 65. This is the type of regulation we want to look at and examine so it does not go beyond the authority granted by Parliament.

Perhaps the Parliamentary Secretary is now prepared to give us give us some explanation in this regard.

Mr. Pennell: I might say that the hon. Member for Edmonton West, with his usual perceptive eye, has correctly diagnosed, I think, the intention of this item. As I understand it there will be a prohibition here, subject to these magazines being brought within the exemption spelled out in paragraph 5.

If I may deal with the last part of his question whether these regulations will be tabled in the House? I can only assume that we would follow the regular course.

Mr. Lambert: They would be published in the Canada Gazette.

Mr. Pennell: That is right; my hon. friend interjects correctly. I also understand that the publishing firms have been in close contact with officials of the Department. They are people who, of course, will be very directly concerned with this legislation. They are aware of all its implications, and when it does come into effect I think they will be in the position to make the necessary adjustments to meet the requirements of the amendment.

[Mr. Pennell.]

I doubt whether there is anyone more informed as to the effect of this legislation than the hon. Member. The point is that there has been a significant amount of magazine advertising directed to Canadians which has originated from companies situated outside of Canada. This legislation is aimed at containing that practice. I think it is recognized that this proposal is fairly well on all fours with the recommendation of the Royal Commission, with one slight exception with regard to the 5 per cent referred to in item 1221(2). So these magazines will be prohibited, as the item says.

There are two parts to item 1221. The first part says there will be a prohibition if it is an issue of a special edition, including a split run or a regional edition, that contains an advertisement that is primarily directed to a market in Canada and that does not appear in identical form in all editions of that issue of that periodical that were distributed in the country of origin. The second exception deals with the regular, ordinary issue, where it is found that more than 5 per cent of the advertising space consists of advertisements that indicate specific sources of availability in Canada, or specific terms or conditions relating to the sale or provision in Canada of any goods or services, except where the indication of such sources of availability or such terms and conditions is primarily directed to persons outside Canada.

I think that last exception covers the point raised regarding travel magazines. They would be directed to a market primarily outside of Canada. Although there could be a split edition relating to Canada, it might still be a regular edition.

On the question of date, the hon. Member asked about the effect of item 1221 (1), which refers to an issue dated after September 30, 1965. The only explanation I can offer—and this is subject to correction—is that it seems to me that if it came into effect on January 1, 1966, then if any one of the four preceding issues of a monthly publication violated the exemption clause, it would be prohibited. I think that is the proper explanation, although as I say it is subject to correction. I see the hon. Member is nodding his head, so it appears to be a reasonable explanation.

Mr. Lambert: Just one further point. With regard to the regulations which will be prescribed by the Governor in Council, I realize that the normal procedure would likely be that they would be published in the Canada Gazette. However, in view of the fact that

we are stepping out into a new area, I wonder whether we could have an undertaking from the Parliamentary Secretary that when the regulations are proclaimed the Minister of National Revenue will table a copy in the House of Commons, notice of which would then appear in *Votes and Proceedings*. If this notice appeared in *Votes and Proceedings* then hon. Members would be alerted and would know just how far the regulations were intended to go.

• (12:00 noon)

It is true that these are published in the Canada Gazette, but there is not as much attention paid to that publication by Members as there is to *Votes and Proceedings*. If notice was printed in that public document we would have at least that additional notice and would perhaps then be more careful.

Mr. Pennell: I understand the concern of the hon. Member. It has just been brought to my attention by the officials that the regulations may be tabled in the House if so desired, and in view of the expressed desire of the hon. Member I am confident that they will be tabled.

Mr. Baldwin: I should like to comment briefly and ask one or two questions of the Parliamentary Secretary in respect of the particular issue to which my hon. friend from Edmonton West has referred, and that is the matter of these regulations.

Is the Parliamentary Secretary in a position to say whether these regulations will provide that the finding which is to be made will be a finding contained in an order in council, or will it be a finding to be made by a departmental official? I ask this question in respect of Vote 1 and Vote 2. In other words, will these regulations simply lay down the procedure, indicating the means by which a finding will be made, or will they indicate the rights of those involved to appear and make representations?

I ask these questions because there is a very fundamental issue involved here, and I cannot resist the opportunity to refer to the fact that this issue emphasizes the correct position taken on this side of the House when we attempted to provide that there should be a committee of the House to which cases of delegated authority could be submitted from time to time if the necessity arose. Of course that issue has been decided and I am not in a position to reargue it, but the circumstances here emphasize the fact that when you are breaking new ground, you are getting involved in new issues.

I think the issue regarding these regulations is very important in spite of the fact that certain conditions are laid down in the amendment. There is a very large field left open which will have to be dealt with by regulation, and I am anxious to know at this time whether the Parliamentary Secretary can advise us as to what the procedure will be when the regulations are in fact enacted. Can he also inform us as to the method by which these findings will be made?

Mr. Pennell: Mr. Chairman, I must apologize to the hon. Member for not being able to give him a firm answer in this regard, but I think he appreciates my position. The regulations have yet to be drafted, and I do not know just what form they will take. However, due to the alertness of his colleague, the hon. Member for Edmonton West, these regulations will be tabled and will be open to scrutiny at that time. I am sorry I cannot give a more complete answer.

Mr. Lambert: It may well be that the Parliamentary Secretary to the Minister of Finance is in the position I find myself in, not having a copy of the Customs Tariff Act before me. Certainly I cannot remember them. What are the provisions for appeal in respect of Schedule C? I realize that the regulations may spell this out, but what are the provisions for appeal; and if there are none of a meaningful nature, then we must consider the situation which developed in 1961 when great objection was taken because there was no appeal provided under this particular act in respect of the determination of goods of a class or kind. If there is to be no appeal now, then I wonder what all the hollering was about in 1961, and whether it was not synthetic.

Mr. Pennell: Mr. Chairman, I understand that there is provision for an appeal to the Tariff Board.

Resolution reported and concurred in.

Mr. MacNaught thereupon moved for leave to introduce Bill No. C-120, to amend the Customs Tariff.

Motion agreed to and bill read the first time.

PENITENTIARIES

CONSIDERATION BY JOINT COMMITTEE OF SENATE AND HOUSE OF COMMONS

The House resumed, from Monday, May 17, consideration of the motion of Mr. McIlraith (for the Minister of Justice):

Joint Committee on Penitentiaries

That a joint committee of the Senate and House of Commons be appointed to consider the state of penitentiaries under the control of the Government of Canada and the plans of the Government in relation thereto with powers to report from time to time its observations and opinions thereon; send for persons, papers and records; adjourn from place to place; sit during sittings of the House; and print from day to day such papers and evidence as may be ordered by the committee, and that Standing Order 66 be suspended in relation thereto;

That 15 Members of the House of Commons, to be designated at a later date, act on behalf of the House as Members of the said committee; and

That a message be sent to the Senate requesting that House to unite with this House for the above purpose, and to select, if the Senate deem advisable, some of their Members to act on the proposed joint committee.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, this subject was last discussed about a month ago, and at that time I said it seemed to me strange that the Government was proposing to set up a parliamentary committee to study the Canadian penitentiary system at the same time that a committee of experts headed by Mr. Justice Ouimet is studying the whole question of correction. It seems to me completely irresponsible on the part of the Government to be planning a major program of building penitentiaries to house people convicted of crimes before it has established just what the whole correctional program is to be.

I am not alone in this feeling, Mr. Speaker. If one reads the speeches which have been made by people who work in this field, and reads the articles which have appeared not only in technical journals but in newspapers and magazines across Canada, he will come to the same conclusion.

It is not often that I find myself in agreement with the *Financial Post,* but as long ago as August, 1963 that paper carried an article in relation to the whole question of Canadian prisons. That article pointed out several very interesting things. First of all, it stated that the Canadian prison population rose from 22,747 in 1962 to 23,512 in 1963. In the same period it pointed out that Britain's prison population dropped from 31,700 to 29,000. In view of the fact that Britain has a population approximately three times as large as the population of Canada, it is obvious that their approach is much more successful than the approach taken by Canada in this regard.

This article, as carried by the Winnipeg *Free Press* of November 14, 1964 stated:

Physical conditions in some of our jails (and penitentiaries) are notoriously disgraceful. Overcrowding and poor discipline lead to riot. In Canada the percentage of released prisoners who return to crime and are again locked up is exceptionally high.

It further states:

We have no accepted official philosophy. We do not know whether we are merely trying to deter crime and protect society by isolating lawbreakers or whether our objective, in accordance with modern thought, is rehabilitation.

● (12:10 p.m.)

In November of 1964 a series of articles appeared in the Winnipeg *Free Press* dealing with the problem of correction and penal reform, written by Mrs. Ellen Simmons, who has given a great deal of study to the question. I want to quote a couple of paragraphs from one article which appeared on November 16, 1964. She said:

What is needed first therefore—before any innovations in penal reform can hope for measurable, lasting success—is a clear, unflinchingly open-eyed and open-minded look at the system, if indeed it may be called a system, in use in Canada today. Specific reforms that have been proposed are meaningful only in the total context of a coherent purposeful philosophy for the treatment of lawbreakers.

She points out some examples of what is wrong and the differences between provinces. I continue quoting:

For example, the use of probation is almost unknown in Prince Edward Island. It is seldom used in Quebec. But in Ontario probation is used in some 21 per cent of cases involving offences against property. Similarly, suspended sentences are used most sparingly in British Columbia, while in Manitoba they are used with a comparatively free hand.

I give these illustrations because it seems to me it is completely wrong for the Government to propose that a parliamentary committee look at the building program when that program has already been decided upon by the Government. When I spoke on this matter over a month ago I mentioned that a judge familiar with the Government's program in Ontario had made a speech in which he said that well over $100 million would be spent for new prisons by the Canadian Government in the next 10 years. I am not opposed to new buildings or the rebuilding of our institutions. Most of them date back many years. Most of them are a disgrace to any civilized country. But surely before going ahead with a program we ought to know what we are doing, what the requirements are and what kind of people are going to be put in the institutions we intend to build.

There is no better illustration of the fact that we do not know these things and have not arrived at any conclusions than the special detention units which are planned

and in fact are already being built. I understand that the one in Quebec is going ahead at a great rate. It is not my intention to read into the record again the whole of the telegram sent to the Minister of Justice by the Canadian Corrections Association, but as it is more than a month since I spoke on the matter I should like to read one paragraph:

> These special detention units are completely unacceptable to the Canadian Corrections Association on the basis of scientific evidence related to the effects of psychological and physical isolation. Among other things we fear the deterioration of inmates who are confined in cells without windows.

I had an opportunity to discuss this matter with a psychiatrist who works in Canadian prisons. I am not going to mention his name because he told me that he intended to discuss the matter directly with the Minister of Justice, whom he knows. However, I think I can quote him almost exactly. He said it was his intention to say to the Minister of Justice that on the basis of his experience in working with prisoners who are emotionally and mentally disturbed, it was his view that if a person was not psychotic before entering one of these institutions which the Government is proposing to build he would almost certainly be psychotic by the time he got out. Despite the unanimous advice of experts in the field, the Government and the Minister stubbornly insist on going ahead with the building program. It seems to me that to ask a parliamentary committee to look into these matters when the Government has already indicated to the people interested that they intend to go ahead is really ridiculous and a waste of time.

I want to make a further point with regard to the prison building program. It seems to me and to other people that if we send people to prison we ought to know why we are sending them there. It seems to me that before sending people to prison we should ask ourselves whether it is best for them to be sent to prison or would it be better to try something else. Ontario and British Columbia have been very successful with their systems of probation. People convicted of crimes are placed under the supervision of probation officers rather than being sent to prison.

Rather than a costly program of building institutions for the confinement of people, it seems to me that we should be expanding our probation system. I know that because of divided jurisdiction the matter of probation comes under the provinces, but I can see no reason why the Federal Government should not co-operate financially in a vast expansion of the probation system so the prison population of Canada would go down instead of going up from year to year. I am satisfied, and the experts are satisfied, that the results then would be much better than they have been.

The Minister has appointed a committee to look at the whole question of corrections, and in the resolution now before us he is proposing to appoint a parliamentary committee to look at our prison institutions. If there is one thing we have done in the field of corrections in this country, it has been to appoint royal commissions and committees of experts to look at the problem. But once they have made their reports, which have been excellent, we have promptly forgotten them; they have been filed away to gather dust.

When the Parliamentary Secretary spoke on this subject he referred to the Archambault report. I do not know why he did so when he could have referred to the more recent Fauteux report. I do not want to go into detail with regard to the Fauteux report, but I should like to quote one recommendation which is found on page 87. The Commission recommended as follows:

> Some means should be found whereby the courts, at all levels, may be made more conscious that the true purpose of punishment is the correction of the offender and not mere retribution by society.

That was true when the Fauteux report was published almost 10 years ago, and it is true today. Professor Angus made a speech in Alberta recently in which he was critical of the kind of people who are appointed as judges.

Mr. Lambert: He had holes in his head.

Mr. Orlikow: The hon. Member for Edmonton West says he had holes in his head. I happen to agree with Professor Angus. The Minister of Justice was also quite critical of this professor. I want to put on record some of the sentences that have been pronounced in recent days from one end of Canada to the other. I quote from the *Globe and Mail* of May 12, 1965. The article is rather short and is headed "Quebec Convict Hangs Himself with His Belt". As the story is not long I will put the whole thing on the record. The article reads as follows:

> Police said Saturday that Jean-Guy Genereux, 28, a prisoner at nearby St. Vincent de Paul Penitentiary, hanged himself with his belt Friday night. Details were sketchy but police said Genereux, serving a 13 year term for the armed robbery of a suburban Verdun hardware store, was found dead in his cell around 10.30 p.m.
>
> Genereux was sentenced by Sessions Judge Jacques Trahan Wednesday. He admitted robbing the

store February 11. He was captured minutes after the robbery and police recovered $10.77 taken from the store and another $7 from a post office on the premises. Before sentencing Genereux, Judge Trahan said: "Making long speeches to people like you is a waste of time and the only way to deal with animals like you is to lock you up for a considerable length of time."

• (12:20 p.m.)

I wonder, Mr. Speaker, whether Judge Trahan has ever heard of the Fauteux Commission or its recommendations. What kind of impartial, objective attitude is this for a judge to take? Here was a man who appeared in court before Judge Trahan the day after he was apprehended for the tremendous crime of robbery which netted him some $17. He appeared without counsel. I challenge anybody in this House to question my statement that had he had counsel, in any part of Canada, no judge or magistrate would have spoken the way Judge Trahan spoke. What kind of judge is it, what kind of human is it who would speak in such terms of a person who is in trouble? He called this person an animal. Mr. Speaker, I think Judge Trahan should be in prison for that kind of speech. A person with this approach is a disgrace to Canadian courts. When the Minister of Justice and the Member for Edmonton West defend that kind of judge, I do not believe they realize the situation we are facing.

Well, Mr. Speaker, Judge Trahan is not alone. I have before me a photostatic copy of the Montreal *Gazette* for September 21, 1963 in which there are two stories side by side. One story has this headline: "Crown Witness in $500,000 Theft Gets One Day, Plus Time in Jail". I quote from the article:

Jacques Lajoie, the 38 year old star witness for the crown in a $500,000 bank vault burglary case of April, 1962, pleaded guilty yesterday to being a participant in the spectacular robbery and had a one day prison term tacked on to the 21 months he has been in jail.

It is interesting to note, incidentally, that he appeared before Mr. Justice Roger Ouimet, who is on the committee which has been appointed by the Minister to look into the whole question of corrections. Right below this article there is another story which carries the headline: "$1.65 Loot—10 years". I quote from the article:

Violent and audacious crimes which today have become common place in Montreal will not be stopped by goodwill and kindness any more effectively than would cancer in the human body.

Then I quote from what Judge Claude Wagner said:

[Mr. Orlikow.]

"The courts must act as surgeons," declared Sessions Judge Claude Wagner yesterday afternoon in a judgment which found Philip Moffat, Tasse St., guilty of an armed robbery of a pair of gloves worth $1.65 from a Verdun store.

Judge Wagner sentenced Moffat to ten years in penitentiary.

Again, I am sure Mr. Philip Moffat had no counsel, so that on very short notice he was tried and sentenced to ten years. Anyone who is involved in something like Windfall or something like Texas Sulphur, where the stakes are much greater than $1.65 and run into the hundreds of thousands of dollars, can afford eminent counsel who can spin out the time before justice catches up with him. He can get off with a reprimand or a pat on the wrist, it seems to me. The hon. Member for Timiskaming reminds me that he may even keep his judgeship, but that is a subject we can discuss on another occasion.

It seems to me we have a great deal of work to do, and not just the appointment of a committee. I do not want to be accused of being anti-Quebec because the two illustrations I used were from the Province of Quebec. I should like to put on record a few paragraphs from a case in my own city, my own Province, concerning a husband and wife who happened to live in the constituency of my hon. friend the Member for Winnipeg North Centre, and who happened to be Indians. They were charged with a breach of the Child Welfare Act. They appeared before Magistrate Isaac Rice, Q.C. several months ago. Again, they appeared without counsel. I feel this is one of the most disgraceful cases I have ever read, and I should like to read into the record part of the testimony. I quote:

Magistrate: Hold old are you?

A. Thirty-four.

Magistrate: Thirty-four, and you have already brought in 12 children into the world. She is good for another 15 at the rate she is going. You are young enough to produce a lot more—

Then the Crown Prosecutor, Mr. Montgomery, said:

Your Worship, I can make a respectful submission as to how there might be five less children.

The magistrate asked how, and Mr. Montgomery answered:

Under the particular statute, the legislature has provided for a term of imprisonment of up to five years.

What a travesty of justice. Now, is there a single member of this House who can say that if the people appearing before the magistrate had not been Indians living in a slum area of Winnipeg but had been white Anglo-Saxon Protestants living in the constituency

of the hon. Member for Winnipeg South, the magistrate would have spoken so irresponsibly?

Mr. Pugh: You mean the Member appeared before the magistrate?

Mr. Orlikow: No, I said if it had been one of her constituents or a constituent of any Member or former Member of Parliament. What I am trying to say is that in this country, unfortunately, we have one law for the well to do, the people who have money and can be represented by counsel, and another, entirely different and much harsher law for people who do not have the money to obtain counsel who will help to defend them and who will also assure that the kind of sentence they get will be much less.

These are things, Mr. Speaker, which people expert in the field have been discussing for a long period of time. These are the things which this Government seems to be ignoring. We have appointed another committee, headed by Mr. Justice Ouimet and composed of some excellent members. I know some of the members and they will not be the kind of rubber-stamp committee which this Government so often wants. I am hopeful, in fact I am certain, they are going to make some excellent recommendations. It seems to me that unless we do a great deal more about the recommendations they are likely to make than past Parliaments have done about the Archambault report and the Fauteux report, Canada will continue to be among the last half dozen of the western industrialized countries in so far as their records in the field of corrections are concerned.

I am not going to oppose the setting up of this committee, because the Government has indicated clearly it intends to proceed. I hope the work of this committee will not be done in a vacuum; that the Government will realize that they cannot simply build prisons without at the same time looking at the whole field of correction, the whole field of probation, sentencing and bail. My colleague the hon. Member for Danforth raised the serious question of bail the other day and received a miserable, disgraceful answer from the Parliamentary Secretary, one of the worst I have heard since I have been in the House. If that is an indication of the seriousness with which the Department regards legitimate questions about the system of corrections in this country, then we are indeed in for some difficult periods. They will be difficult in this House because I can tell the Parliamentary Secretary that if he continues that line in committee—I presume he will be a member—we will have many long hours of sitting. The Members on this side of the House are not going to take the nonsensical kind of argument he produced the other night.

I hope, Mr. Speaker, the committee will work in co-operation with the special committee which the Minister of Justice has appointed. I hope we will get on with the work, and that it will not be years before we can begin the major task of reorganizing the correctional system of this country so the purpose may become rehabilitation rather than punishment, as has been the case for the last 100 years.

• (12:30 p.m.)

Mr. Heward Grafftey (Brome-Missisquoi): I agree with very much of what has been said by the previous speaker. For years we have talked about the shocking state of our penal institutions in Canada. Reports of various commissions and committees have been debated in the House of Commons. The previous speaker mentioned the Archambault report, the report of the Fauteux commission and reports of committees such as the present Government is now instigating. The recommendations contained in all these reports have been abundantly clear. I will refer to them later, though I make special reference in passing to one of the best commission reports ever published in the Dominion of Canada; that is the Archambault report. I think all hon. Members will agree that the subject we are discussing today can be considered in a bipartisan sense.

Much has been done in this field of penal reform in the past few years, but it is still too little. I know that in 1957 the party which I support did its best. There were many accomplishments to our credit in such fields as the ticket of leave and parole system, getting a realistic building program under way, and properly staffing our penal institutions. While I would be the first to admit that we have only made a beginning and, in a sense, a poor beginning, and that far too little has been accomplished, a start has certainly been made in the field of penal reform.

Along with Members opposite I recognize the difficulties which are involved. Sometimes it is very hard in this day and age to rally public opinion behind modern concepts of penology. I believe all governments have encountered this difficulty, but that is no excuse for failure to bring up this subject

time and time again on the floor of the House of Commons so that real advances can be made.

I think it is correct to say that in comparison with other countries we in Canada have an unbelievable number of inmates in our prisons; and not only in prisons but in prisons where the conditions are appalling. I will not belabour the House with statistics, but this seems abundantly clear from the figures which are available. It seems to me incredible that in relation to our population we should have such a large prison population both federal and provincial. For one reason or another we have an astonishingly high prison population in Canada compared with other countries in the western world.

We need to build many new penal institutions based on modern concepts. A beginning was made when we were in power, and the present Government is continuing this program and advancing new programs. But not enough has been done. The casual offender must be separated from the hardened criminal. This is a recommendation which has been made for years and years, but it is one which in the truest sense has not been carried out. In the whole field of penology we lack scores of probation and parole officers. Drug addiction and alcoholism have become major problems. We lack treatment centres for those who suffer from both these types of addiction. Many offenders in these categories should be treated immediately in centres where attention is paid to the modern science of psychiatry instead of being sent as they are now to old fashioned prisons. But what are we doing? Recommendations by one commission after another are listened to respectfully, but somehow or other we continue to send these people to old fashioned prisons after offences have been committed.

The consequences are abundantly clear. These people return to society and immediately repeat the same or similar crimes. We lack modern treatment centres, despite the need to send many people to such centres rather than to prison or other institutions built and staffed on archaic lines. Today these people are invariably sent to prisons, at high cost to the Government and at high cost to individual dignity. They are not cured and the public is not protected. Men or women who could be rehabilitated are not rehabilitated. An offender is released from prison and returns to society to commit the same or similar crimes.

I intend to quote some statistics. What are these statistics in Canada today? In 1964 some 74.2 per cent of those in federal penitentiaries had previously been committed to correctional institutions either federal or provincial. Need I say any more about the success of our system, a system of which no Member of this House of Commons should be proud? I do not say this in a party sense. I am sure Members in all corners of this House wish to co-operate in bettering the present system. That is why, I hope, we are setting up the new committee.

In the case of juvenile offenders there is a woeful lack of social welfare workers, judges, probation officers and parole officers. Young offenders, in addition to being segregrated from older and more hardened criminals, must be able to continue their education while in institutions. Upon their release they must be able to re-enter society with every chance of obtaining employment. This means continuing vocational or academic training within the institution. I am glad that some advances have been made in this regard, but these advances have been minimal both when we were in power and under the administration of members opposite.

What is needed is action, and action now, as the hon. Member who spoke previously said so well. I realize it is difficult in a largely materialistic society to get public opinion behind such a program, but it is my hope the Government will realize the real need for action, and action now, rather than wait for the findings contained in yet another report.

• (12:40 p.m.)

Before I go further I want to discuss something which I feel should be placed on the record immediately. Both inside and outside this House of Commons we often get into conversations relating to various aspects of penology; whether it should be rehabilitative or punitive, and that sort of thing. But I think when we consider the success of our system we should have a more objective test. We should ask ourselves what are we doing to protect society; what are we doing to rehabilitate and upgrade, if you will, the prisoner himself; what are we doing to reduce the level of recidivism in this country? If we apply these standards to measure the success of our whole system of penology in Canada we find that we are doing a very poor job.

I think every Member of the Canadian House of Commons should be aware of the following statistics. What percentage of those committed to penal institutions in Canada had a previous commitment to a penitentiary

only, namely an institution under federal jurisdiction? In 1961 the figure was 42 per cent; in 1962, 41.3 per cent; in 1963, 41.1 per cent; in 1964, 41.6 per cent. But the following statistics are even more astounding, Sir. What percentage of those committed had previous commitments to any correctional institution, be it federal or provincial? These, Sir, are most appalling statistics. In 1961, 72.2 per cent; in 1962, 76.7 per cent; in 1963, 76.8 per cent; and in 1964, 77.2 per cent.

What does this mean in hard facts? It means that at this moment, on June 18, 1965, in the case of people released from our institutions, be they federal or provincial there is almost an 80 per cent chance that they will go out into society and commit the same or similar crimes. These figures should be really digested by all Members of the House and by the Canadian public. Surely they show that in this area the main things that are good in modern penology are not being done in Canada. In the light of these statistics we are not protecting the public, our women and children and the population in general. Certainly in the light of these statistics we are not rehabilitating offenders, and we are not bringing down the percentage of recidivism in our prison population.

I understand, and support in a sense, the setting up of a committee such as we are discussing today. But surely it will be a committee that will discuss some modern penology concepts; because the statistics and what I have already said show that we in Canada are decades behind in the field of social reform. They show that we have not even begun to move forward in embracing and implementing the major, modern concepts of penology. I simply want to say, Sir, that I fully realize that in a field such as penology, in view of the advances that have been made in the last two decades in psychiatric research and treatment, we are faced with the application of many new and modern concepts, and certainly we should apply them.

Perhaps the Archambault report as such did not make too much reference to these modern concepts which have come to light in the last two decades. But I want to illustrate right now why many people in Canada become cynical about royal commissions, why many people in Canada become cynical about Parliament setting up committees, why many people in Canada become cynical about meeting after meeting, commission after commission, when what is needed is action.

Surely we haven't the nerve to go out and tell the people that a lot is going to be done by a parliamentary committee when the major recommendations of a 1938 royal commission have not even been touched upon or discussed sensibly in this House of Commons.

The hon. Member who just spoke rightfully talked about a more modern inquiry into our penal system, namely the Fauteux Commission. We are now talking in glowing terms about what this parliamentary committee is going to do, but let me take the time of the House for a few moments to discuss some of the major recommendations of the Archambault report. Let us ask ourselves whether they have been truly implemented, and whether we really need a parliamentary committee to tell us what needs to be done today, not tomorrow, in the field of modern penal reform.

This is why the Canadian people become cynical. When a government should act, when a government should move forward almost without debate in the House of Commons, they set up a parliamentary committee or a royal commission. In this case it is even more serious, because anybody who has read the Archambault report would recognize and understand that it is one of the greatest, most important and best drafted royal commission reports in the whole history of this nation.

I believe that a great deal of importance should be attached to a parliamentary committee if it is going to act. But let us briefly search our consciences and look over some of the basic recommendations of the Archambault Royal Commission report. Then let us ask ourselves honestly whether these recommendations have been carried out. Let us ask ourselves, do we need another parliamentary committee in order to tell us what needs to be done?

I will enter a caveat here, Sir, and say there are some detailed matters which this committee should consider; there are some modern concepts that the committee should deal with. I refer to concepts which have come to light since the Archambault report and its recommendations were drafted. But in the next few minutes I am going to talk about the necessity to act today, not tomorrow, on some of the major recommendations of this report. Surely, Sir, when I read some of the recommendations drafted in the year 1938 by this eminent gentleman and his assistants on that Royal Com-

mission it will be abundantly clear why so many Canadians become cynical about royal commissions and parliamentary committees.

What did the Commissioner say, Sir, about the general approach to penology as such? He said in his recommendations that our whole concept should be based on the protection of society. Surely I have given statistics which show that we are not protecting society very well under our present penal system. He talked about the safe custody of inmates. I have no statistics in this connection, Sir. I am sure we have as many or as few escapes as other countries. Then the commissioner spoke about strict but humane discipline. I do not know how we compare with other countries in this regard. Then he dealt with the reform and rehabilitation of prisoners. I have already said that we have done a woeful job in this regard.

• (12:50 p.m.)

What do these recommendations go on to say regarding the classification of prisoners? With the modern buildings to house inmates being built at the present time under the direction of the Department of Justice, advances are going to be made in this direction. But surely not enough advances are being made; we are moving too slowly. I think primarily of St. Vincent de Paul and Kingston penitentiaries. If more Canadians were made to visit these institutions the Minister and his assistants would surely have a much easier time in geting public opinion behind the important work which I know the Government is trying to do in this regard.

How far have we gone in the last 30 years in carrying out these recommendations, and what will a further committee of this House be able to tell us about classification of prisoners? The Archambault commission reported that a complete revision of classification of prisoners should be made, with provision for a thorough medical and psychiatric examination. Their next recommendation is:

> The necessary legislation should be enacted to provide for sentencing habitual offenders to preventive detention in a separate institution to be provided for that purpose.

Thirty years after this recommendation was made we are barely beginning to scratch the surface, and now all we are doing is setting up another parliamentary committee. They further recommended:

> All incorrigible and intractable prisoners in the penitentiaries should be segregated in one institution.
>
> Separate institutions, based on the principles of the English Borstal system, should be established to permit of special treatment being given to young offenders between sixteen and twenty-one years of age.

We have made a beginning here, but only a very small beginning. The recommendation continues:

> There should also be a classification centre and three grades in each unit, each grade to be separately located and not contiguous to another. Two units should be established at once, one in the Province of Ontario, and one in the province of Quebec—

The next recommendation is:

> All insane prisoners should be entirely removed from the prison population and treated in hospitals for the insane.

This bears on my recommendation that something be done to fill the great need today for psychiatric units, not only for the insane but also for drug addicts and alcoholics, instead of just throwing them into prison and hoping that after five or six years they will be able to emerge into public life without having had any treatment. Then it is recommended that:

> The mentally deficient should be segregated in the ordinary institutions under the direction of a trained psychiatrist.
>
> Intractable and recidivist drug addicts should be removed on the order of the prison commission to the prison for habitual offenders.
>
> A scheme of classification should be established in each prison, having regard to the previous record, social habits, physical condition, educational attainments, aptitudes, and suitable training for future employment, of individual prisoners.
>
> A grades and merit system for reformable prisoners, modelled on the system in use in England, should be established.

Let us ask ourselves, as we pause for a moment after looking at these recommendations, how far have we gone in even scratching the surface and making headway in this regard?

What does the Archambault Commission have to say about education? Since this report was published I think all hon. Members will admit that we have made some progress in this field, but it is such little progress that we should all be ashamed of it. It was recommended that:

> A complete reorganization of the educational system should be made in accordance with the recommendations contained in chapter VIII of this report, with special consideration for the young offenders, more frequent library privileges, and a simplified system of book distribution.

Then further recommendations were made regarding prison employment, and far reaching recommendations were made regarding amendments to the Criminal Code, rehabilitation and reports to sentencing judges.

Couple these recommendations, Mr. Speaker, with the general consideration I touched upon in my opening remarks, namely the fact that it is patently obvious in Canada today that there is a great lack of social welfare courts, social welfare judges, probation and parole officers. There is a great lack of the machinery needed to tackle the deep problems of juvenile deliquency. This we all know. We all know also about the major recommendations not of the Fauteux report but of the report to which I have referred, which recommendations are almost 30 years old. However, I support the setting up of this committee because I think it can deal usefully with some of the modern concepts which have come to light during the last 5, 10 or 15 years.

However, let this parliamentary committee not be an excuse for delaying action on the recommendations, not of the Fauteux report but of the Archambault report, one of the greatest royal commission reports in the history of this nation. If we do, Mr. Speaker, once more the Canadian public will have ample reason to become increasingly cynical about royal commissions and parliamentary committees. Because while the committee should and can do useful work, I hope I pointed out that what is really needed is action now, not tomorrow. We have no excuse for putting off action in these major areas of social and penal reform. Let us not kid ourselves about that, Mr. Speaker.

What is involved here is not a small amount of money. Millions and millions of dollars are involved. I can assure hon. gentlemen opposite, and I think I speak for Members in all corners of the House, that if they move forward in a real and dynamic way with the major recommendations of the Archambault report they will have the wholehearted support of Members in all corners of the House.

Some members of the Canadian public have the archaic idea that offenders should be thrown into old fashioned prisons and should stay there. On humanitarian and religious grounds alone this is not a very nice thing to say; but surely by talking about the rehabilitation of prisoners and the protection of society, and by the figures and statistics relating to recidivism, we have already shown that the system we have employed with such bad results for a number of decades has not worked at all. This is one instance where those of us who cry out, I think responsibly, for more reform should be listened to. I can assure the Government that if they move forward in this regard they will have our support.

Again I say I am sure this committee will receive widespread support in the House of Commons as it gets down to work on some of the developments which have taken place in later years. But let us all get together and move forward now in areas of reform which for too long have been neglected.

• (1:00 p.m.)

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, the notice of motion of the Minister of Justice (Mr. Favreau) is most important, because it concerns the setting up of a joint committee of the Senate and House of Commons to examine the question of penitentiaries coming under the jurisdiction of the Canadian government.

In 1946, when I was a young member—it does not mean that I am an old member now —in 1946, some members of the opposition and even some members of Mr. Mackenzie King's government spoke about setting up a committee to consider the situation of penitentiaries under the jurisdiction of the Canadian Parliament.

Then came the St. Laurent government, followed by the Conservative government, the Tory government, and every time, every year, every session, notices of motions were introduced to establish a committee to consider the penitentiary situation. We have been planning to consider this matter for 20 or 25 years and no solution has ever been found to settle this problem.

However, some people are considering the matter. We know that the situation existing in penitentiaries is being considered. Studies have already been made by experts in this field who concluded, as mentioned earlier by the hon. member for Brome-Missisquoi (Mr. Grafftey), that penitentiaries must be reformed in order to permit the rehabilitation of prisoners and convicts.

Penitentiaries could be greatly improved, made fit for occupation, or even more appealing, so that prisoners may be treated as human beings and not as animals.

We could, for instance, organize penitentiaries in such a way as to enable convicts to do some productive and useful work and it would be less costly for the government and the Canadian taxpayers to keep them in prison. Thus trade schools could be set up in penitentiaries to enable prisoners to learn a trade so that they would contribute to their rehabilitation after their release. But nothing is done in that regard.

Since prisoners are also human beings, we could also provide penitentiaries with recreation halls, swimming pools, theatres, etc. to help inmates get good training and learn how to live decently in a normal world.

Earlier I heard a member of the N.D.P. say there was a law for the rich and a law for the poor. A great many things need to be reformed in addition to the penitentiaries to allow the rehabilitation of young people.

Not very long ago I had to do with two prisoners who were not convicts but two young men of 19 and 20 caught red-handed in a most reprehensible act. They were arrested in September 1964 and brought before the court, which decided to send them for trial. On account of the law's delays and its lack of organization, the trials may take place in October 1965 or in the spring of 1966. In the meantime, these two young men are in the Ville-Marie jail in Témiscamingue county. Bail has been set at $10,000, but the two men remain in jail because such an amount is not to be found on every doorstep. Those two young men have been jailed without trial; they are still waiting to appear in court because of the slowness of the judicial process in the province of Quebec.

Reforms are needed. There is a young man of 20 kept in jail pending his trial and from whom much too high a bail is requested. Because his parents cannot afford to put up bail, the young man stays in jail for a year, a year and a half, without having been sentenced to jail. And some think that the young man is thus being helped toward rehabilitation in society.

It is a flagrant abuse to treat 20-year olds that way, if we want to rehabilitate them; but if we could not care less, that is a different story; let us continue drifting in the same direction.

There is a great number of young men like those in the country. Once in jail, they are bored to death because practically nothing is organized to take care of them. They are left idle. If there was something for them to do in jail, I think that would greatly help them toward rehabilitation.

It is strange to see to what extent society is concerned about these people when, for instance, we read in the newspapers every day that a murder has been committed here or there, that hooded bandits have struck here or there, that gangsters are operating here or there, just to create sensation. But, when will the newspapers come up with a solution to make the rehabilitation of those young people easier? Wrongdoings are being emphasized but rehabilitation per se is not mentioned.

To a certain extent I blame the newspapers for making so much out of those things, of those murders here and there, of all those infractions, without ever coming up with a constructive answer. Circulation is the sole concern of some newspapers: to collect 7 cents or 10 cents per issue. Our young people are sacrificed in the name of all that publicity given to depravity.

It is time for the government to put an end to its motions for setting up fact-finding committees. The situation has been studied, considered and as the member for Brome-Missisquoi pointed out a while ago, the time has come to take action, to reorganize those penitentiaries, to revise our methods of rehabilitation with regard to our young Canadian prisoners or delinquents. They may be a bad lot, but still there is a little good in each and everyone of them. It is a matter of finding it and helping them toward rehabilitation, toward confidence in themselves. This confidence they can feel only when society makes it possible for them to do so. When that day comes our penal institutions will work constructively, enabling human beings to become once more honourable and reasonable.

We therefore express the wish that the government take action instead of being content with setting up fact-finding committees. We have had enough of committees. Let us act now and give our Canadians that to which they are entitled.

[*English*]

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I should like to intervene in this debate, but before saying that which I wish to say I should like to associate myself with the excellent speeches that have been made by the hon. Member for Winnipeg North, the hon. Member for Brome-Missisquoi and the hon. Member for Villeneuve, who has just taken his seat. I think these were excellent speeches, and I should like to be associated with them.

• (1:10 p.m.)

The comment I should like to make, however, is that it seems to me the limited terms of reference contained in this resolution are in effect a reflection upon the Members of the House and the members of the other place. I cannot understand why, when this tremendously important subject of penitentiaries and penal reform is to be reviewed by a joint committee, the terms of reference should be

limited in the manner they are in this resolution. The resolution says that the subject matter referred to the joint committee is "to consider the state of penitentiaries . . .and the plans of the Government in relation thereto".

What is meant by "the state of penitentiaries"? To begin with, this is a phase which is virtually meaningless. I would assume that the "state of penitentiaries" meant a study of the buildings. Is it reasonable that Members of the House and the other place should form a committee and be asked to go into the sole matter of the buildings, and not into the far wider matters that are of great concern to the Members of this House?

As we well know, the Minister of Justice announced the terms of reference of a special committee on corrections, and in that connection the terms of reference include a study of the broad field of corrections in its widest sense from the initial investigation of an offence to the final discharge of a prisoner from imprisonment or on parole, including such subjects as arrest, bail, representation in court, conviction, probation, sentencing, training, medical and psychiatric attention, parole, pardon and so on. These are the broad, extensive and proper terms of reference that are given to this committee—a distinguished committee, it may be said, of people who are not Members of this House or of the other place.

But when it comes to asking Members of Parliament to look into this subject, the terms of reference are restricted to the state of penitentiaries. I do not suppose there is a single Member of the House who is not fully aware of the fact that the provision of buildings may be of importance, but it is of comparatively small importance compared with the wide number of matters referred to this outside committee.

Mr. Winch: There is the question of staff.

Mr. Brewin: For example, as the hon. Member for Vancouver East points out, questions concerning staff were raised in the House a month ago. Of far greater importance than the objective presumably set out in the resolution is the objective of assisting in the reform and rehabilitation of those who get into trouble, limiting the number of those who become repeaters, and making our whole penal system efficient as well as just in its application to those who have fallen afoul of the law. Yet what do we have here? The House is being asked to set up a joint committee with members of the other place, and the members of this committee are to spend their time looking into the question of buildings and not deal with these broader questions.

It seems to me this is the wrong approach. I am satisfied that in all parts of the House there are Members perfectly capable of receiving information from those who are experienced in this field and then making recommendations to the House for effective action. Reference has been made to the Archambault report. I know a little about the Archambault report because Mr. Justice McRuer, then J. C. McRuer, was my senior partner and he spent about a year and a half with Mr. Justice Archambault as a member of that commission. They travelled all over Canada and Europe and made what has been described as a monumental report. They took a lot of time out of the lives of very busy and very competent men. They produced an excellent report but, as the hon. Member for Brome-Missisquoi has told the House, many of the recommendations in that report have not been carried out yet. Why not? Because governments of the day were not ready to spend the money to do the things necessary to carry out the recommendations of that report. The same is true of the report of the royal commission headed by Mr. Justice Fauteux.

We do not need more outside commissions. It seems to me that if we are to get action on these things we need to solicit and arouse the support and the knowledge of Members of all parties in the House and in the other place so they will bring constant pressure to bear upon the Government to carry out some of these things that the experts suggest.

Is the report that eventually will be brought in by Mr. Justice Ouimet and his commission on these very same subjects to be pigeonholed like these other reports, and nothing done about it? I suggest that one of the ways to ensure that it cannot be pigeonholed is to have a committee of the House concerned with the broad range of this subject and determined, when these experts report, to see that what can be carried into legislation will be carried into legislation. It would be very much easier to do so if instead of Members making occasional speeches in the House, there was a continuing committee of those who over the years have qualified themselves particularly to deal with this subject.

Many other matters related to this question have come before the House from time to time. I myself brought in a resolution dealing

with legal aid in criminal cases. It seems to me that is the sort of matter that should be dealt with by a committee of the House. We have recently amended our rules of procedure, I think very wisely, to create a larger number of standing committees to try to elicit from Members of the House, be they backbenchers or whoever they may be and no matter to what party they belong, a more continuing attention to the various subjects that face Parliament and the people of Canada.

I have no doubt that this resolution will be passed because we are all in favour of it, but even at this late stage I would urge the Government to give serious consideration to enlarging the terms of reference of this committee so that all these vitally important matters may be looked into. I say "vitally important" not in terms of dollars and cents, although even in those terms our system is obviously wasteful and inadequate, but in terms of human lives that can be aided and assisted.

I think the machinery of the committee that will be created by this resolution ought to be used not just to inquire into something called "the state of penitentiaries", whatever that may be—I have not heard any representative of the Government explain what this drafting means—but to inquire into the same sort of broad field which has been included in the terms of reference of this other expert committee. That expert committee will only sit for the time being. No doubt it will make a particular report on some of the things that come before it. But I say it is the Members of the House of all parties who have a responsibility in this field, and I hope the Parliamentary Secretary and the Solicitor General will convey to the Government and the others concerned our view that the terms of reference here are unduly narrow and restrict the opportunities of those who will be members of this committee to make the real contribution of which they are capable in this field.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I am surprised that the Minister himself is not in the House, although I agree he cannot be here all the time. I think the establishment of this committee is very important, and in my opinion the Minister should be prepared to justify why a committee of Members of the House and of the other place is being established to give some direction with regard to the buildings and physical requirements of the penitentiaries service. I suggest that probably the reason for the establishment of the committee is that a number of us had an opportunity to visit some of the prisons, and the reports we gave indicated a complete lack of modernization as well as conditions that would not be supported by the general public.

[Mr. Brewin.]

• (1:20 p.m.)

I am not sure, Mr. Speaker, whether this committee will serve any purpose. I am inclined to believe it will not if it is going to concern itself only with the building of penitentiaries. I believe the parliamentary committee will not be able to make any recommendations that will have any results for many years in the field of penitentiary construction. It is safe to say that the penitentiaries branch is much farther ahead in this field than Members of Parliament or the general public. The prisons we are building now, particularly in the third category, the minimum security category, are model type prisons. I believe also that the medium security institutions are not bad institutions in relation to the design and construction advocated by those who have been interested in penology for a long time.

I believe there is considerable difference of opinion in so far as maximum security institutions are concerned. It is in these institutions that the difficulty arises because, in many cases, men are confined to them for long periods of time. The abuses which took place, and which I presume led to the establishment of this committee, occurred in maximum security institutions. No one who is qualified to discuss this subject would disagree with the statements made by various people who have visited maximum security institutions, pointing out that they were a disgrace and something must be done.

One thing I find difficult to understand is that when we build new institutions, particularly of the maximum security variety, we do not place them in areas conducive to the work of rehabilitation. I believe it is generally agreed by all those interested in this subject that maximum security penitentiaries must be close to psychiatrists, psychoanalysts and others who work in that field. When a person is sent to a pententiary it is not like sending him to take a course or putting him on a farm to enable him to become rehabilitated as part of society. I believe those concerned with maximum security institutions have to keep this in mind.

There is another committee that has been set up, and I think it is a very worth-while committee. I am in agreement with those who say that we in Parliament should not try to satisfy the public outcry that has occurred in recent months merely by establishing another committee. I agree that the Fauteux commission did a very good job, as did the Archambault commission when they investigated the whole penal system. They made recommendations that are probably as modern in terms of penal systems as any in the world today. They are still valid. However, the Government has done nothing about them.

This fact raises the matter of public apathy. I hope some other Members of Parliament have listened, as I have, in the last two days to a radio program in Ottawa called "The Open Line". This program has been discussing the problem of conjugal visits to penitentiaries. I raised this question in Parliament a number of years ago, and it resulted finally in a very good article in *Chatelaine* magazine. I was pleased that it should be given coverage in that type of magazine, because I feel it is a problem in which women are vitally interested and which affects women perhaps more than men, although women form a small percentage of our prison population.

I was interested in the discussion that arose from the *Chatelaine* article and which followed my introduction of the subject in Parliament, at which time I was hooted and told I was irresponsible. I have been interested in this radio program which during the last two or three days has been discussing the matter of conjugal visits, because it affects the whole penal reform system in Canada. I have been shocked and disgusted by the attitude of the Canadian people as indicated by this program. Many of them have said "Let us punish the prisoners. We did not send them there for a picnic; we sent them there to be punished". Why do these people not tell the Government that what they want to do is reinstate the beatings and the rat-infested prisons which we have tried to eliminate. These goody-goody people who have been on this program have talked about the Bible in terms of an eye for an eye, a tooth for a tooth; you steal a loaf of bread and you are put in prison for years.

I am shocked and ashamed of the people in Ottawa who have that attitude. These people have a right to adopt whatever attitude they wish, but I am shocked and ashamed of them. All the reading I have done about prison reform indicates that even a backward country like Mexico goes much further than I would go. I believe that while we should rehabilitate the people in prison, we should not necessarily pamper them. I believe that advancement toward rehabilitation should be a reward, and that these visits of the family to the prison should be a reward.

The Mexican Government are more far-sighted than we are because they view this as a right, not a reward. You do not give this as a reward for good behaviour; every prisoner, no matter how bad or what his crime or what his present condition or present attitude toward reform may be, is entitled to the same consideration. They even bring in prostitutes for the single people. They bring in girl friends if the girl friends want to go into the prison to visit their boy friends. They really repeat, on a limited scale, the type of relationship a person has outside, no matter what that relationship may be. I was interested in one of the questions which the radio announcer put yesterday to the woman who said you certainly could not bring prostitutes into a jail. He asked her whether she was aware of the homosexual problem in the jails and the lady said, yes, of course she was aware of it. He then asked whether, if her son were in jail, and if bringing in prostitutes would prevent her son being involved in a homosexual relationship, she would agree to such a course. She said: "If it was my son, I would certainly agree." I suggest that if it is good in an individual case the principle is good enough to deserve some consideration.

• (1:30 p.m.)

I do not wish to leave the impression that I or those responsible for the operation of our penal institutions would go this far. I think we are a very backward nation, socially, and I do not think we are prepared to take this step. Most of us in this chamber are probably as backward as the average man or woman, and would not support it. The countries which have taken action of this kind have done so without much detriment to themselves or to the institutions, as far as I can find out. I would have expected nothing different.

I am pleased the officials of our own penitentiary branch have begun letting prisoners go home for two or three days. Recently this has been accepted by regulations and the Commissioner can now allow people to go home for as long as 15 days. The warden can grant leave of absence up to three days. These privileges have been granted for funerals and

recently they have been extended. I am still old fashioned enough to think we should use a system of this type as a reward to prisoners for accepting some of the benefits of rehabilitation.

I do not want to deal particularly today with the problem of homosexuals or the provision of facilities for conjugal relations in a prison cottage area. But I am sure anyone who is in his right mind would agree there is an advantage in extending privileges to prisoners while they are still under some degree of control by the institution. I can remember, when I was visiting St. Vincent de Paul talking to a young fellow who told me: I am not going to get into any trouble here, nor do I want to go out on parole or anything of that kind, because they have to release me in three months and as soon as I get out I am going to kill three people. I do not want anything to interfere with that plan.

Mr. Woolliams: Did you report that threat to the Department of Justice?

Mr. Peters: The Deputy Warden was there and heard what was said to me. There was nothing unusual about that statement. I believe he would have told the Warden—the man I think he was going to murder after he got out. I was particularly interested in not knowing. But after this man served his full sentence he would be set at complete liberty without the necessity for supervision or for working in co-operation with probation or classification officers. He need have nothing to do with them.

I think Members of Parliament should be concerned about these matters. On the other hand, I think the proposed Committee will be a waste of time if it is only going to design buildings and engage itself in architectural shenanigans in a field its Members know nothing about. It would be safe for me to say, for example, that we should double the size of the cells and instal better conveniences. As for the design of penitentiaries, that is another matter. I do not think the Committee will go to the trouble of finding out a great deal about systems other than those in use in North America. Maybe the Committee will go out to Saskatchewan where some architects have taken the drug LSD to help them design a mental institution—they took this hallucination producing drug so that they could put themselves in the position of the inmates and find out exactly what the inmates might prefer, and what would be most conducive to their rehabilitation. If they were to do that, I think the committee would be "nuts". There is a better way of doing it and possibly we should allow the architects to continue to deal with these matters.

An hon. Member: Does the hon. Member think we need take any drugs?

Mr. Peters: I am sure that Members of Parliament do not tend toward hallucinations, but they have other disadvantages. We are pretty backward in looking forward in terms of penal reform. The Minister himself has indicated that this is the case. In taking this attitude we are probably doing no more than reflect the views of the public generally. When a matter affects them, it is one thing; when it affects someone else, it is something quite different.

I was interested in the similarity between two statements made on the radio program yesterday, one by a prisoner who had been in an institution for six years and another by a guard who had been a guard in a Federal penitentiary for a number of years. Each of these men adopted the archaic attitude that prisons must be tougher, that the food should be inferior and that conditions generally should be worse in order to assure the effectiveness of the deterrent. If this is the attitude of the public, obviously it will be very difficult to get anything done in the way of reforms. But I think Members of Parliament have an obligation to be more far-sighted than the public generally, and offer leadership in these fields. I do not believe the Government is giving any particular leadership, but I appreciate this fact: The more one gets to know the people in the Penitentiaries Branch the more credit must go, I think, to a Government of long ago which in a subtle way must have taken some of the expressions found in the reports of these various commissions and committees and applied them through the personnel in the Penitentiaries Branch. If Members of Parliament really knew some of the things which are going on in the penitentiaries they would be shocked, because I do not think they would be prepared to go as far as some of the officials have gone. I think these men should be congratulated on taking the chances they have taken in putting into effect measures of penal reform with which, I am sure, some Members of Parliament would not agree.

Another of the radio discussions concerned the birth of a child to a woman who had visited her husband in one of the penitentiaries. The public was concerned about this,

but its concern appeared to centre on who should be responsible for the support of the infant. Should it be supported by the province, which has responsibility for the maintenance of the family while the husband was in jail, or should it be the responsibility of the Federal Government because the Federal prison authorities had somehow turned their backs during the woman's visit? Surprisingly enough the public did not know that the Federal Government was in any case paying 80 per cent of the cost of caring for that family and for the child, no matter which authority might have to make the particular welfare arrangements. So the question of which authority would assume responsibility was largely hypothetical. This program has thrown a good deal of light on public opinion, a factor which is often difficult to ascertain.

• (1:40 p.m.)

I think the Government should now give consideration to some of the things they have learned in this way. Perhaps it should sample public opinion in some way. If they did this, they would realize the crying need for this committee to have much broader grounds so that Members themselves would get some insight of our whole penal system and its operation. Then Members would have more knowledge of the operation of penal reform. They would be able to examine the results of some of the experiments that have already taken place in the federal penitentiaries system and the experiments that have taken place in countries more enlightened than ours. They would then have the opportunity and responsibility of building up public opinion to accept the changes that the Government is willing to accept and implement as soon as the people are willing to accept them.

This may not happen, Mr. Speaker. This Government is without doubt the most conservative, with a small "C", Government that I have seen for a long time. They want to establish a committee to do these things and they have taken the matter out of Parliament, so that Members of Parliament will only know the results when the report is brought in a number of years from now. I believe the Government has a responsibility to allow Members of Parliament to gain the knowledge that can be obtained from this committee. Members of Parliament would then have a responsibility to help develop public opinion. It is really not good enough to be willing, through the back door, to establish by regulation some of these things. It is important that the public know what they are and are enlightened enough to demand the rehabilitation of prisoners.

I say this, Mr. Speaker, because it is a fact that if the prisoner returning to his community is not accepted by that community and cannot fit into the community again, he is not rehabilitated, no matter what has been done for him in a penitentiary in terms of readjusting his social and psychological outlook in order to solve the problem that put him into the penitentiary in the first place. You may correct this in the penitentiary; you may find that the classification officers indicate that rehabilitation is possible—but if you put this man into a community that will not allow rehabilitation, you really have not accomplished anything at all. I think the Government is being very narrow-minded and they are certainly very conservative in not allowing Members of Parliament to obtain a better insight of our whole penal reform system.

We should also talk about the guards. For many years we had, without doubt, the same type of guards in our institutions as we have had prisoners. You could change the uniform and put the prisoner inside and the guard outside, and as long as he could beat the prisoner or the prisoner could beat him it would not make much difference which one was inside the uniform. Keep the gates shut and keep the whole shooting match inside. One person went there voluntarily and the other was put there, but otherwise there isn't much difference between them. In recent years this has completely changed. This type of guard has not completely disappeared, but my experience is that we have a completely different type of guard today and we also have a completely different type of prisoner in many cases. They have become much smarter. I could name several prisoners who were considered to be almost uneducated but who were not uneducated at all. I am thinking of John Darrell Peters, or whatever his name is, who handled his case with great success all across this nation. His case has been in most of the Provinces; he has appealed and presented a highly documented legal case.

An hon. Member: Is he any relation?

Mr. Peters: He is no relative of mine. I only learned of his case through the publicity we have received in this House on a number of occasions. I should also point out that I do not think he is a relative of the Liberal organizer who became notorious for bringing

his friends over from Scotland a few years ago. I only use him as an example. I think the guards have become smarter and the prisoners have become better educated because of the facilities which have been provided in our prisons.

I think the public should be aware of the other problems in this field. The hon. Member for Greenwood (Mr. Brewin) mentioned something that has always shocked me. I refer to the difference in sentences and the political orientation of the judge rather than a legal orientation. I might say that I have also had experience in court, but not on the same side of the fence as my learned friend from Greenwood. I have heard a magistrate say some of the things that the hon. Member for Winnipeg North (Mr. Orlikow) mentioned. I can remember a magistrate standing up when he had to dismiss a charge against me and saying that there was no evidence to warrant a conviction or to justify the case going any further, but the work that I had been engaged in for the previous two months was, I think it was something like "nefarious and a disgrace to the nation". He used many other adjectives of that nature. I personally didn't think it was so bad; I had been a candidate for the C.C.F. at that time and was defeated two days before the trial by something like 500 votes. I had also been for some time a leader for the Steelworkers in a strike against the mining companies. I didn't think that was too bad, either. Personally, Mr. Speaker, I did not refer to the fact that the magistrate was secretary-treasurer of the mine that was having all the difficulty and really was not too impartial in any way, shape or form, as far as the whole mess was concerned.

Therefore I agree that justice should be dispensed equally and should be impartial and non-political. I have had quite a number of instances brought to my attention of persons being convicted who, if they had had any kind of lawyer to defend themselves, might have got off. These people have received very severe sentences simply because they were not defended. I remember the statement made by my hon. friend from Danforth (Mr. Scott), who said that there is nothing in the whole penal reform system or in the whole judicial system that can protect a person against a bad lawyer. This is perhaps a fairly strong statement, but I believe it is also fairly accurate. Often people involved in very serious crimes have to accept a young lawyer who knows absolutely nothing about the type of law he is going to be presenting and has had absolutely no experience in that type of legal work. He may have articled with a legal firm doing a completely different type of work than that involved in the defence he has to put forward for some young criminal.

[Mr. Peters.]

Mr. Woolliams: It is worse if they have an old lawyer who looks as though he might know something. That is more dangerous.

Mr. Winch: Mr. Speaker, could I ask the hon. Member a question? Is he going to support or oppose the setting up of this parliamentary committee?

• (1:50 p.m.)

Mr. Peters: Frankly, Mr. Speaker, I do not think it matters whether it is set up or not. I am not really much in favour of it. I am not opposed to it, if Members of Parliament can learn anything by discussing the blueprints for new prisons and their locations. I would like to ask the hon. Member who has asked the question not to forget what happened when politicians became involved in the new jail that was going to be built in Cornwall. This would probably highlight the situation as far as politicians are concerned and we would lose all the advantages expected from new penitentiaries. But this is only a vehicle to enable us to talk about some matters of penal reform which in my opinion would not even be considered by the committee.

Mr. Winch: Would the hon. Member permit another question. Can I ask the hon. Member for Timiskaming, who sits right behind me, whether he did not learn a lot about our penitentiaries system when as a Member of the House of Commons he visited penitentiaries and saw the conditions in them. Did he not think that if more Members visited these institutions and became interested in recidivism it might be of some value in making recommendations in regard to the subject of penology?

Mr. Peters: Yes; but I would also qualify my answer to the extent of saying that I also learned a lot more when I went around a penitentiary on my own than I did on two conducted tours. The only reason I learned very much about the penitentiary was because I consulted an inmate and he told me where I should go. The same is not true of a conducted tour, such as the one some hon. Members were taken on, a short while after my visit. In fact, the highlight of this tour was the statement made after the tour by the Minister.

Mr. Knowles: If you spent a period there you would learn even more.

Mr. Peters: Someone says you should spend some time in the pen to learn about it, but I have never found it that hospitable an institution to spend more than a day or two there. Personally, I think it would be pretty unnerving, even if you were a newspaperman, or as a Member of Parliament, to listen to all the noises at night in these institutions after the lights are turned off.

My real appeal to the Government is that they reconsider the limits they have placed on the terms of reference of the Committee and to broaden them. Matters such as parole, remissions, bail, supply of legal counsel, that very large and not well known field of the care of youthful offenders and their segregation in the whole judicial process from the time they are arrested until the time they are rehabilitated, the homosexual problem, permitting visits by wives of inmates, should in my opinion be brought before the committee so that immediate attention may be given to them.

I do not see why the Government should be scared of suggestions made by Members of Parliament on the basis of evidence available to them from former reports and the day to day operation of the new Committee which has been set up, unless, of course, the Government is of the opinion that the public is not ready to have the spotlight of public attention directed at these problems. If the Government, through this Committee, had a national program similar to the open line broadcasts over the radio, then in my opinion they would not find it nearly so hard to convince the public that changes do need to be made, rather than keep these matters in the dark.

I would see a Parliamentary Committee consisting of Members of Parliament and Members of the Senate turning the spotlight of public attention on problems which we think should be solved. If we only send Members of Parliament to prisons in order to examine them, each Member of Parliament will come back with an armful of smuggled literature and letters. And if they declare that they will return to the prison later, the supply of this material will increase tenfold. This will put a Member of Parliament into the position of judge and jury, causing him to make a number of decisions which I do not think he is capable of making.

Mr. Winch: That is not true.

Mr. Peters: My hon. friend says that it is not true. I suggest that for the last 20 years or more he has been making such decisions and has become probably the best known friend of prisoners from coast to coast. In my opinion, this course of action has taken up a lot of his time and effort and on many occasions has brought him a lot of grief and heart searching. This has been to his credit, but I am sure it is something which most hon. members would not wish to take on.

In closing I would ask the Government to give consideration to withdrawing this resolution and substituting one in much wider terms which will enable the Committee to look into the whole matter of penal reform. I should like to see a Committee set up to go into this whole question, be prepared to sit between sessions, to visit institutions in other parts of the country, to have meetings with the John Howard Society, the Elizabeth Fry Society, with universities connected with penitentiaries, with people connected with psychiatry, psychoanalysis, psychologists, sociologists, the judiciary, legal branches, Bar Associations, and so on. This committee would have the advantage of visiting these organizations and its Members would have a rounded out attitude toward what to do with any prisoner from the time he is arrested till the time he re-enters society.

It is my opinion that the average Canadian, if he is made aware of the problems in our penitentiaries, will be interested in the process of rehabilitation which must be the aim of our penitentiaries system. If we only lock people up and give expression to the belief of what I hope is a very limited number of people who consider penal institutions merely as a method of punishment, namely an eye for an eye and a tooth for a tooth, and we are not able to convince the Canadian people that there is much more to the problem than this, then we have failed, and failed miserably.

If the Government broaden this Committee's terms of reference they will find great cooperation from Members on both sides of the House toward establishing the rehabilitation of those who have been guilty of offences. It is not good enough to say that those who are rich will receive consideration; those who are poor should also receive justice.

In closing I should like to refer to a letter I received yesterday which has caused me and a lot of other people with whom I have raised the matter a great deal of concern. It is in connection with the Nicholas case, a matter which I raised some time ago. Young Nicholas is quite happy with the fact that the Solicitor

General has, by decree or whatever it is, reduced by half the sentence which was imposed on him. A representative of the John Howard Society went to see him a few weeks ago.

• (2:00 p.m.)

This is a man who, following a riot at St. Vincent de Paul, was almost beaten to death by the guards. When I saw him last he was in a highly nervous state. His mental state was such that he was not even allowed to go out on his own. When he described his experiences he tore off his shirt and threw himself on the floor as though he was experiencing the beating again.

That man has since been transferred to Kingston, he has gained 40 pounds in weight and his mental attitude has completely changed. If you mention the subject of parole to him he invariably asks how he can be paroled when he is innocent of the crime for which he was sentenced.

The Acting Speaker (Mr. Tardif): Order, please. I regret to inform the hon. gentleman that his time has expired.

Mr. Steven Otto (York East): Mr. Speaker, I did not intend to take part in this debate, but as a practising lawyer, like others, I could not help being moved by the speech of the hon. Member for Greenwood (Mr. Brewin). The consideration and study of penitentiaries as they now exist is one thing which should be considered by a committee, but another committee should consider the whole question of penal reform. I have no doubt that the proposed Committee will consider plans for penitentiary buildings, and the present condition of penitentiaries, and will arrive at some conclusions as to what should be done. I think the hearings of this committee will provide an opportunity for members of the Civil Service in positions of administration to present their views and ideas in respect of improving our correctional system. The opinions of those people are valuable.

The proposed Committee will have the power to travel to see at first hand the conditions of our penitentiaries. I suggest that they should first travel throughout the municipalities and consider such things as day nurseries, the amount of money spent on day nurseries, and the number of working mothers which take advantage of such facilities, and relate that information to the incidence of crime. We should not close our eyes to the number of working mothers who put their children in these day nurseries. This Committee should also consider Juvenile Courts in the various municipalities to determine how efficient they are and how qualified are their staffs. The committee should also go to the various schools in the municipalities and find out how many psychiatrists are assigned to assist in solving the problems of many of these school children. It is my understanding that one psychiatrist is available for about every 10,000 pupils. There is a tremendous shortage of psychiatrists in this field. This Committee should go to the law societies to find out how many lawyers, particularly younger ones, are interested in the problems of children and devote their time to these problems. Most lawyers are concerned about making money, and direct their talents toward corporation law because of the tremendous amount of money that can be made in that field.

This committee has the power to travel to these places and to carry out this kind of investigation, but whether or not they will do so is another question. I personally feel that they should make the kind of investigation I have suggested, rather than just a study of the bricks and mortar, so to speak. If they carry out that kind of investigation, I am sure they will truly understand the reasons behind the state of our penitentiaries and will find solutions to these problems.

Mr. Terry Nugent (Edmonton-Strathcona): Mr. Speaker, I am sorry that I was unable to attend to hear the speech of the hon. Member for Greenwood (Mr. Brewin), as well as one or two others, but I did listen to several speeches made earlier which I felt were not relevant to the resolution before us. For instance, the speech made by the hon. Member for Winnipeg North (Mr. Orlikow), while it was very interesting and revealed one or two weaknesses in respect of the administration of justice in this nation, had nothing to do with the state of penitentiaries or the plans of the Government in relation to them as disclosed by the resolution now before us.

I enjoyed the speech of the hon. Member for Brome-Missisquoi (Mr. Grafftey) and I thought his points were very relevant, particularly when he suggested that the Government instead of appointing a new committee to carry out an investigation should implement some of the recommendations that have already been made. That is a suggestion that this House should seriously consider. There is no encouragement to Members of a com-

mittee, such as is proposed, in contemplation of the action that has not been taken by successive Governments in respect of the very excellent advice and recommendations that have been presented by various Commissions which have studied this whole question.

It seems there is always some reluctance on the part of Governments to push through penal reform in the face of public feeling that criminals are being mollycoddled. That feeling has been expressed in newspapers from time to time by responsible citizens and taxpayers. We have often heard the question asked, why is there this great concern for criminals; and I think that we as legislators have not pressed home the point often enough that we are not trying to make things easy for criminals, but trying to improve our correctional system so that prisoners who are released will not be convicted a second, third or fourth time and returned to the penitentiary. We should impress upon the public that in the long run money spent to modernize correctional institutions represents an investment that will save the taxpayers a great deal of money. We should sell that idea to the taxpayers of this country.

The statistics presented by the hon. Member for Brome-Missisquoi clearly show that we have stalled long enough in our approach to this problem. Those statistics indicate that from 40 per cent to 70 per cent of all individuals sentenced to penitentiaries return a second, third or fourth time. If we want to protect the public and save the taxpayers' money, then we should adopt a correctional system which will reform prisoners so that following their release they become good citizens and do not again turn to crime. Surely that is the best protection that can be provided to the public. If that is not a good investment of public dollars, then I do not know what is, or how we could better spend the money on education.

Under the terms of this resolution this committee will be directed to consider only one aspect of the reformation of the administration of justice in this country. It is not directed to investigate the efficiency of our courts, how our provincial jails are run, whether there should be legal aid, and many other facets of this whole picture. I presume the Senators and M.P.s who are appointed to this committee will look at the physical buildings and facilities of our penitentiaries and study them from every point of view, including their capacity, their comforts or lack thereof, their security measures and how effective they are, the state of health generally of the prisoners, how crowded the penitentiaries are, the efficiency of the staffs, the aims of the wardens, and all those things which are associated with correctional reform of those individuals who are incarcerated. We must consider all those things which are designed to make sure that these prisoners can be returned to society as useful citizens. It is the inspection of the facilities which will be of concern to the Members of this proposed committee, and it is only that narrow aspect of the administration of justice with which we are concerned today under the terms of this resolution.

• (2:10 p.m.)

The idea of a Joint Committee of Senators and M.P.s to study this question has much to commend it. We know there are several Members of that other place who have a tremendous amount of legal experience. Some of the members of the other place, not because of their age but because of their experience, are in my opinion very well qualified to assist Members of this House in a survey of this kind, and they have the time to do so.

The provision that 15 Members of this House will be on the Committee gives us a pretty broad selection. I doubt that there are 15 Members of this House who have a great deal of experience in this field and really know much about penitentiaries and the criminal mind, but I am sure that with proper selection from the Senate, and with care taken in this House to select those people who are most interested in the topic, much valuable advice can be given to the Government in a relatively short time, provided the Committee takes the trouble to go and examine one or two penitentiaries very carefully. I think the Committee should do just that.

I think I need do no more than repeat the admonition of the hon. Member for Brome-Missisquoi (Mr. Grafftey), who pointed out that many independent recommendations have already been made to the Government on which no action has been taken. The making of a careful study and the gathering of valuable information will do no one any good and accomplish nothing unless action is taken, and it rather seems to me that the appointment of this Committee is another way of begging the question. The Government is afraid to take any action, so it puts up a smokescreen. If the resolution is carried and

the Committee is established, I submit there will be an obligation on the part of the Government to take action on the part of the Committee's recommendations within a year at most after it reports. I have been a member of too many committees in the last three or four years which have made recommendations to the Government about which nothing has been done. I hope that will not occur in this case, and that the Committee will be able to meet, make a survey of a few penitentiaries and report soon so that quick action can be taken.

[*Translation*]

Mr. G. C. Lachance (Lafontaine): Mr. Speaker, since the government has decided to present this motion to set up a joint committee of the Senate and House of Commons in order to consider the situation of penitentiaries under the jurisdiction of the federal government, I shall take a few minutes of the house's time to put a few remarks on record, particularly concerning the rehabilitation of prisoners after they leave the penitentiaries.

Like many others, I have noticed and deplored the fact that those who have served time in our penitentiaries are shut out from the federal, provincial and even municipal civil service.

What organization is in a better position to facilitate the complete rehabilitation of those who have served a few years in our penitentiaries? If the federal, provincial and municipal governments do not set an example in this field by accepting in the public service people who came out of penitentiaries, I wonder who will.

The time is past when such people were to be set aside because, in most cases, they did not intend to repeat their mistakes. They all deserve government help. Private concerns are not in a position to do that; neither are agencies, regardless of their good will, in the best position to co-operate in the rehabilitation of those people and in finding work for them so that they may continue to live as human beings. We have seen too many cases of people who have returned to crime simply because they did not find, in civilian life, any opportunity to work and earn an honourable living.

These are the remarks I wanted to put on the record. In that respect, I wanted to introduce a motion for debate. But when I noticed that the government had decided to submit this motion to the house, I felt I should make these few remarks; I also hope to have the opportunity of discussing the matter further in committee. Besides, I intend to work on this personally and do my utmost to arouse interest, so that our governments might offer work to those who leave our penitentiaries after having served their time. Above all, I should like to see the Civil Service Commission and the government take the necessary means to ensure that these people can take courses while in prison, thus enabling them to prepare themselves for Civil Service exams.

I can see no problem here, and I know full well we can then feel, in conscience, that we have accomplished our duty with regard to the rehabilitation of these people.

[*English*]

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

Motion agreed to.

FISHERIES IMPROVEMENT LOANS ACT

AMENDMENT TO INCREASE AMOUNT OF LOAN AND EXTEND REPAYMENT PERIOD

Hon. H. J. Robichaud (Minister of Fisheries) moved that the House go into Committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Fisheries Improvement Loans Act to increase the maximum loan amount to a fisherman from $4,000 to $10,000 and to increase the maximum repayment period from eight years to ten years and also to extend the period during which guaranteed loans may be made for a period of five years from June 30, 1965, to June 30, 1970.

Motion agreed to and the House went into Committee, Mr. Lamoureux in the Chair.

Mr. Robichaud: Mr. Chairman, this resolution concerns proposed amendments to the Fisheries Improvement Loans Act which will extend the period during which guaranteed loans may be made to June 30, 1970, raise from $4,000 to $10,000 the maximum guaranteed loan amount which a fisherman may have outstanding, and increase from eight to ten years the maximum period over which loan under this Act may be repaid.

The purpose of the Fisheries Improvement Loans Act is to make bank and credit union loans more readily available to fishermen to help them finance a broad range of investment projects including the purchase, construction or improvement of fishing vessels, fishing equipment and shore installations. To this end, the Act authorizes the Minister of Finance to guarantee each lending institution

against loss up to 15 per cent of loans made aggregating $500,000. A guarantee of up to 10 per cent of total loans made is applicable in respect of loans made by that lender in excess of $500,000. There is an over-all limit on the total amount of guaranteed loans which may be made by all lending institutions, and this has been set at $20 million.

• (2:20 p.m.)

As the Act stands at present, the maximum loan amount is $4,000 and the maximum repayment period is eight years.

This legislation was enacted by Parliament in 1955 and was made initially effective for a period of three years. The period of operations during which guaranteed loans may be made was extended from time to time and this now expires on June 30, 1965.

The extent to which fishermen have made use of this credit facility has been fairly modest—I could add almost too modest to be really efficient—particularly when compared with the use that farmers have made of credit under the Farm Improvement Loans Act. Nevertheless, the Fisheries Improvement Loans Act has proven to be a valuable supplement to other loan sources available to fishermen and, in some fishing areas, there has recently been an indication of growth in the use that is made of this facility.

Since inception to March 31 last year, close to 1,400 loans totalling $1.9 million were made. The upturn in lending is indicated by the fact that while annual loans until the fiscal year 1962-63 were in the $200,000 range, this increased to about $370,000 in 1963-64, and preliminary figures indicate that this trend continued into the 1964-65 fiscal year, during which loans may have come close to one half million dollars. Although the annual report for the fiscal year ending March 31, 1965, is not available, in fact during the period April 1 to December 31, 1964, the total loans made amounted to $340,000. This trend has been possible in large measure because of general improvements in fishing operations. These improvements, along with a trend toward the use of more costly equipment, also make it desirable to increase the maximum loan amount that a fisherman may borrow under the Act.

I should mention also that there have been significant changes in the fishing industry since 1955. These changes are now going on at an accelerated pace, and the most important of these is the expanding size of the individual fishing enterprise. Fishing, like agriculture, is becoming more and more a business operation. Fishermen today must increase the scale of their operations, use larger vessels and more elaborate fishing gear if the fishing industry is to maintain its competitive position with other food producers. Similarly, increased efficiency and higher returns to fishermen must prevail if the industry is to survive in competition with other employment opportunities. My department is encouraging these developments in many ways through broad programs of research and development of new methods, subsidies on vessel construction and so on.

The proposed amendments to this Act fit into the total picture. I fully realize, Mr. Chairman, that this Act, as amended, is not going to meet all the credit requirements of fishermen and the fishing industry. I should like to refer particularly to its application to the Province of Newfoundland. As the annual reports will show, a small number of fishermen in Newfoundland have been able to take advantage of these loans. This is due to the fact that in a large number of settlements or communities there are no chartered banks and the fishermen have had little contact with banking institutions. We are looking into the possibility of finding more practical means of assisting Newfoundland fishermen in so far as making loans available to them.

In so far as fishermen are concerned, particularly in the meeting of their credit needs for larger and modern vessels and improved gear, I am a firm supporter of the provision of such credit through provincial fishermen's loan boards. This would explain, to some extent, why such a limited number of fishermen take advantage of this Act. Personally, I had a good deal of experience with the New Brunswick Fishermen's Loan Board and I can assure the House that a lending agency, which is close to the fishermen and close to the developmental possibilities of the industry, has much to commend it. I know this same conclusion has been reached in all the Atlantic Provinces where such provincial agencies have operated for many years. I am hopeful other Provinces will seriously consider similar action. I must add that following some of the federal-provincial meetings which have taken place with the inland Provinces and British Columbia in recent months, there has been an increasing interest in those Provinces in the possibility of establishment of Fishermen's Loan Boards. I believe there is a real possibility that this Act, as amended,

can be made to tie in closely with the operations of Provincial Loan Boards. There may well be many cases where loan boards can direct the fishermen to finance or credit unions, and thus relieve themselves of the necessity of tying up their limited capital resources.

In so far as the fish processing industry is concerned, I believe that the new program announced by the Prime Minister on June 7, whereby a newly established firm or expanding existing firms in designated areas will receive assistance from the Department of Industry, will go a long way toward meeting the needs of the fish processing industry. In this connection I should mention also the useful role of private capital from both domestic and foreign sources. The fishing industry is now enjoying a strong market, both at home and abroad, and is generally in a healthy, expanding condition. Under these circumstances the credit needs tend to increase, but at the same time credit becomes more easily available.

In conclusion, Mr. Chairman, the proposed amendments are simple and direct. They will extend the period during which guaranteed loans may be made as well as increase the extent to which an individual fisherman can use this credit source. As a result, fishermen will have a more ample opportunity for borrowing, on reasonable terms and conditions, to meet their growing capital needs. This, together with other measures taken by the Government, by the Government in collaboration with the Provinces, and by the Provinces, will in a modest way further contribute to the improvement of efficiency and the expansion of a very important primary industry.

• (2:30 p.m.)

Mr. MacLean (Queens): First, I wish to express to the Minister of Fisheries my appreciation for the concise and objective statement he has made on this matter. As he said, the Act which this bill will amend, introduced and passed in Parliament in 1955, was extended in 1959 for another three years, and amended at that time to expand the definition of those who could borrow under it; and it was again extended in 1962. This is another extension and I agree with the proposal that the Act should be extended for five years, this time, instead of for three. I think it is unnecessary that an Act of this sort should come up for review as frequently as every three years.

I am pleased, also, to note that the ceiling on loans is to be raised from $4,000 to $10,000. This will not, in my judgment, bring about an increased use of this legislation in proportion to the increase in the ceiling, but it is a step in the right direction and it may cover a number of cases which were not covered by the Act previously. If for no other reason, the tremendous increase in the cost of fishing equipment since 1955 is sufficient justification for raising the ceiling to a considerable extent. As a matter of fact, I want to say at once that we in this party will support this amendment. We may have certain suggestions to offer as we go on, but we will support it.

As the Minister has told us—and this was my experience, too, as Minister of Fisheries—this Act has not been used by fishermen to the extent we had hoped. It was introduced as a companion piece of legislation to the Farm Improvement Loans Act. But in some areas at least fishermen have not used it to the extent that farmers have used the corresponding legislation. There are a number of reasons for this, of course. The obvious one is that fishing gear has to be insured because it may very well be lost. There is much less risk of this happening to farm implements. Then again, fishing equipment can wear out rapidly and a condition could develop whereby it would all have to be replaced at one time, whereas farmers can add to their equipment year by year.

However, this does not provide us with a full explanation why the Act has not been used as much as we had hoped. There must be other elements—inaccessibility of lending institutions, for example, or the question of getting into the habit of financing fishing operations by this means. In Prince Edward Island the legislation has been used proportionately a great deal more than in other provinces. The population of that Province is only about one half of 1 per cent of the total population of the country. Nevertheless, the fishermen of Prince Edward Island have taken out 35 per cent of the loans granted under this legislation for the whole country, and the volume of the loans taken out on the island is more than 25 per cent of the whole. Had commensurate use been made of the Act in the rest of the country, total loans would have been several times greater than has in fact been the case.

I suggest to the Minister that he continue to try to find ways of encouraging fishermen to use the benefits available under this Act to a greater extent. We are living in a very competitive age and it is good business for

fishermen, if they are in an economically sound situation, to make use of as much credit as they can. As long as their operation is efficient they can make it more efficient by equipping themselves to carry out their work properly.

I do not think there is anything else I wish to say, except that I am pleased to note the Minister holds the view that the provinces also have a large responsibility in this field. I notice that a contrary view was expressed by the Opposition critic on the last occasion this Act was amended. My view is in accord with that of the present Minister. Three years ago, when this Act was last considered, the Opposition critic of that day, now Minister of Transport, said as reported in *Hansard* of March 6, 1962 at page 1546:

> I am sure the hon. Member for Royal, the Minister of Forestry, would agree with me when I say that the plain fact is that this is not something that ought to be left to provincial governments. Under the constitution fisheries are the exclusive responsibility of this parliament and the Federal Government. Surely if farm credit, when agriculture is a joint responsibility of Parliament and the legislatures, is largely assumed by Parliament, credit for fishermen should be the responsibility of this Parliament.

I do not agree with him and I hold the same view as the present Minister in this connection. I think his conclusion is based on sound reasoning and his experience in the Department.

I have nothing more to say at this moment. We may have some further remarks to make as representatives of this party, and there may be some comments by other hon. Members, but it is not our intention to prolong the debate at this stage.

Mr. Barnett: Like the hon. Member for Queens, I usually find presentations made by the Minister of Fisheries disarming if one does not look beyond the content of the statements he makes in such a pleasant manner to the House. Unfortunately, all too often when the Minister of Fisheries presents a resolution of this kind, a relatively minor amendment to a relatively minor piece of legislation, he is something of an orphan within the Federal Government, carrying far less weight in its councils than the Minister of Finance, who is also directly concerned with the bill we now have before us for consideration.

• (2:40 p.m.)

I must say, Mr. Chairman, that when I thought about the fact that we might be considering this resolution fairly soon, my mind went back to a year ago last January when we had a Federal-Provincial Fisheries Conference in Ottawa, an event which was heralded as being something of major significance to the fishing industry of Canada and was going to usher in a new era of national fisheries policy. When I look back over what has happened in Parliament since that time, this would appear to be the second matter dealing with the fishing industry, as far as my recollection goes, that has come before the House since that time. The other matter that did come before the House had to do with the extension of our territorial fishing zones. Here again, the impact of that piece of legislation has been really of very little consequence to date.

As I pointed out in the House through a question to the Acting Prime Minister the other day, addressing him as Secretary of State for External Affairs, it is now almost a year since the Act was proclaimed in respect of territorial fishing zones which gave to the Governor in Council the power to set base line co-ordinates, and there has been no action as yet to establish those base lines. If I may say so in passing, Mr. Chairman, I think that situation in itself highlights the correctness of the position that some of us in this House took at that time, namely that a matter which affected the national boundaries of Canada should be the subject matter of direct action by this House rather than being put aside into what has obviously become a sort of Never-Never Land for legislation, because of inaction by the Governor in Council. The net result of that piece of legislation has been perhaps to lull the people of Canada who maybe have not much acquaintance with the fishing industry into thinking that the present Government has proposed and accomplished something significant in the fisheries field, when in point of fact they really have not done very much except set up in the House a piece of window dressing legislation.

Now we have a proposal to make a modest revision to the Fisheries Improvement Loans Act which will increase the total which can be borrowed, from the great sum of $4,000 to $10,000, which is the maximum for any one loan, which will provide for a small extension of the repayment period and renew this program for another five years. I think we have to consider this resolution in the context of the present picture. The Minister will recall that when the Premier of Newfoundland presented the brief of the Government of that Province to the Federal-Provincial Conference he laid before it, with

some emphasis, a letter he had received from the present Prime Minister when he was Leader of the Opposition, in which the Prime Minister assured the Premier of Newfoundland that we would have a national fisheries program which would parallel what had been done and what would yet be done in the field of agriculture. Yet, as I say, this is only the second piece of fisheries legislation which has been put forward. I would also suggest, Mr. Chairman, that surely no one on the opposite side of the House would wish to claim that the proposal advanced in this resolution is any major step toward creating a program for the fisheries that parallels the program in respect of agriculture.

At the beginning of last session we had a Speech from the Throne, as we usually do at the beginning of a session, and then we had a speech from the Prime Minister after the Leader of the Opposition had spoken. In that debate of a year ago last February the Prime Minister, as I recall it, delivered himself of some rather extensive remarks. Having listened to the Prime Minister rather carefully and having just prior to that sat in on some of the sessions of the Federal-Provincial Fisheries Conference, I was awaiting with a good deal of interest some expansion by the Prime Minister on the brief reference in the Speech from the Throne to the development of a fisheries program. The fact was that during the whole of his speech, which went on at some considerable length, as I have said, the Prime Minister never once mentioned fish or the fisheries. On February 21, 1964, as reported at page 91 of *Hansard* for that session, I asked the Prime Minister the following question:

> Mr. Speaker, I have a question for the Prime Minister. In his speech yesterday the Prime Minister made reference to broadening and expanding the scale of farm credit. He made no reference to the fishery. I should like to ask him what measures he has in mind to parallel this action as far as the fishery is concerned.

Hansard records that Right Hon. L. B. Pearson (Prime Minister) replied:

> Mr. Speaker, I am very conscious of the fact that I did not mention fisheries in my statement yesterday. It was an omission, but I can assure my hon. friend that assistance to agriculture in the form of broadening the basis of farm credit and in other ways will certainly be paralleled by help to the fishery.

As I say, that was on February 21, 1964, and as far as I know from that day until this the Prime Minister has never said anything in this House about a new national fisheries program. The resolution which we have before us is the first definitive action proposed in this Parliament, as far as I can recall, since February 21, 1964, when the Prime Minister gave me that answer, that could even remotely be considered to be creating a parallel program for the fishery. The summary of operations of the last year for which we have a fisheries report—

Mr. Robichaud: Mr. Chairman, would the hon. Member permit a question?

Mr. Barnett: Yes.

Mr. Robichaud: Has the hon. Member made any attempt at all to make himself aware of or to familiarize himself with the different measures which have been taken in recent months to assist the fishing industry?

• (2:50 p.m.)

Mr. Barnett: I have tried to remain reasonably alert to what has been proposed and is being done by the Department of Fisheries. I freely admit that I am not as familiar with the details of what is going on in the fishery on the Atlantic coast of Canada as I might like to be, and had we had a lengthy recess of the House I might have been able to visit that part of the country. But as far as the west coast of Canada is concerned I know, for example, that the Department of Fisheries is undertaking some developments in the northern part of the province in the region of spawning channels, and that some work is being done in fields of this sort. I know our scientists in the biological station at Nanaimo have been continuing their program of research, and some oceanographic surveys have been conducted in the Pacific. Certainly I am aware that what over a period of many years has been the normal program of the Department of Fisheries has been going on during the last year or so. I know the Minister or his officials have held certain conferences with the provinces on certain aspects of the fishery. I understand there is under consideration some developments in marketing board arrangements for the inland fisheries of the Prairie Provinces, but I have not heard the Minister announce in the House that these arrangements have come to any form of fruition.

I am not trying to deny or downgrade the activities of the small but in my opinion, quite efficient Department of Fisheries which we have in Canada. All I am trying to do is to suggest that its activities are a far cry from the brave words expressed by the present

Prime Minister to the Premier of Newfoundland, which were verified to some extent by the answer he gave to me on February 21, 1964 and any program of action which the Government has placed before this Parliament in this connection. If there are events going on that the Minister feels the House should know about, I would certainly be quite happy to have him spend some time during this present discussion detailing them to us.

I have endeavoured to ask what changes are going to be made to the International Fisheries Conventions relating to the North Pacific which will ensure protection, conservation and development of our Pacific fishery. As far as I know we have not come to any resolution of those problems. I could go on to enumerate other matters, but I do not want to stray too far from the subject matter of the resolution, which after all has to do with the matter of providing credit facilities for the development of the fishery.

The Minister did refer to the situation in Newfoundland and indicated that some special consideration was being given by him to this matter. According to the last official report available to us, that for the year ending March 31, 1964, since the inception of the Act the total amount of loans made to Newfoundland amounted to $19,003. The Minister has said that the report for the fiscal year just ended is not yet officially available, although I thank him for making reference to some of the operations of the past year which appear to bear out that there has not been any radical alteration in the situation.

I note that the Premier of Newfoundland appears to have been concerned about this matter of loans to Newfoundland, because in his brief to the federal-provincial fisheries conference he points out that only 12 loans had been made in Newfoundland up to the time the report was prepared. He points out that under the Farm Improvement Loans Act, by 1962 over $1.2 billion, almost 1,000 times the total of $1.3 million under the Fisheries Improvement Loans Act, had been lent. I have been wondering whether the Minister could explain a little further this matter of the extension of credit facilities under provincial loan boards. We have not had anything of this kind in British Columbia, in view of the fact that the Premier of Newfoundland, among others, is apparently quite concerned over the fact that this fisheries loans legislation has not been of much value to the fishermen of Newfoundland.

This leads me to observe that we should be aware of just how limited is this present legislation, a limitation which the resolution does nothing to change. It is a situation which, as I see it, would be parallel to the situation concerning financing of housing in this country if the only legislation available was in the realm of providing insurance or loan guarantees, or if under the National Housing Act there were no provisions for direct lending for housing construction.

• (3:00 p.m.)

It seems to me that as this legislation stands there is very good reason for the fact that it has been of such limited value in its application to the fishery. I remember that when this legislation was brought in some of us were successful in arguing that in addition to the use of banks as lending institutions there should be provision for inclusion of credit unions and caisses populaires, which suggestion was agreed to at the time. But the fact of the matter is that in many institutions banking facilities, or for that matter credit unions, are not available to fishermen in a convenient way. I should like to hear more from the Minister about his theory as to how provincial loan boards can meet the situation, and more about how these provincial loan boards can be financed. If we are going to create a financial assistance program to make credit available to fishermen which will in any way parallel the assistance provided to the agricultural industry or the assistance provided in respect of the construction of houses in Canada, we will have to set up better machinery, with provision for direct loans to fishermen, than exists at the present time.

Mr. Robichaud: It already exists.

Mr. Barnett: The Minister suggests that this machinery already exists. I do not know where it is, except in the form of banks and credit unions which will provide loans guaranteed by the Government, in the event of losses sustained as a result of nonrepayment.

It is my feeling that the basic principle of insured loans, such as exists in respect of housing, provides a very useful mechanism, but I wonder why the Minister's Department has not been able to set up the proper machinery by which these loans could be handled and processed to a greater degree of efficiency than at this time. I realize there are officers of his Department who concern themselves with the fishing vessels insurance program; but the resolution we have before us, while it is all right in itself, emphasizes

the very limited nature of the program so far put forward by the Government in respect of the provision of added credit facilities for fishermen.

The Minister made reference in his opening remarks to the fact that in certain segments of the industry capital arrangements can readily be made. That may be perfectly true in respect of some of the larger, more integrated operations of the industry in certain parts of Canada, and it is certainly true of certain segments of the industry in British Columbia, but what some of us are concerned about is a program which would assist many individual fishermen who for decades have been in the hands of the so-called private entrepreneurs to the extent that they have never been able to get themselves out of debt. We should like to see a financial program which would enable these individuals to lift themselves up and become independent and self-sufficient.

From my observations of the operation of this Act, it is obvious that while it has been all right as far as it goes, it certainly has not achieved its purpose. From the observations I have been able to make and as a result of the information I have heard given to this House from time to time by Members representing the Atlantic Provinces, I certainly have gained the impression that there is a great deal of room for improvement as far as the positions of the individual fishermen in that area are concerned.

I realize that the total answer to the problems of fishermen on either of our coasts does not lie in the provision of more adequate credit facilities, but that many other factors are involved. This is perhaps not the time or the place to go into them, but I should certainly like the Minister before we proceed with this resolution to give us some indication of what he and the Government have in mind, in addition to this modest proposal he has now put forward on behalf of the Minister of Finance (Mr. Gordon).

Mr. Olson: Mr. Chairman, I rise at this time to state very briefly that this party supports not only the five year extension in respect of fishermen's loans under the Fisheries Improvement Loans Act, but also the increase from $4,000 to $10,000.

We were very interested to hear the Minister state that loans made by credit unions under the provisions of this Act will be guaranteed by the Government, as well as those loans granted by the chartered banks of this country. We believe that this is a good principle and that it should be extended to the Farm Improvement Loans Act. I am not critical of the manner in which the chartered banks have handled the Farm Improvement Loans Act in the past.

When the Minister was speaking he said, as did the former Minister of Fisheries, the senior hon. Member for Queens, that he was disappointed to some extent by the amount of use that has been made of the provisions of this Act by fishermen. I suggest that by raising the ceilings the Minister will not find the complete answer to the problem of providing the necessary credit to enable fishermen to carry on their operations in an efficient manner. Inasmuch as the present Minister and the previous Minister have expressed the same disappointment as to the use being made of these provisions, it seems to me that the Minister ought to have a very hard look at the manner in which the chartered banks are dealing with fishermen. We experienced problems in this regard under the Farm Improvement Loans Act, as well as under the old Farm Loan Board, in that there was plenty of authority to make credit available, but the amount and type of security the banks required was such that the purpose of these programs failed. The jobs they were intended to perform were not effectively done. There may be a similar problem in this regard.

The Minister has said that in many areas where fishermen require this credit, there are no banking facilities readily available. If that is the case and the Minister feels that some improvement can be made in the use of these provisions, he ought to consider the situation at the local level to see whether that is the place whether the difficulty is developing.

On behalf of the party to which I belong, I should like to say that we support the extension of five years and the increase in the ceiling, although we do not think these changes will necessarily solve the problem. We hope that this measure can be implemented as quickly as possible.

• (3:10 p.m.)

[*Translation*]

Mr. Plourde: Mr. Chairman, I only have a few words to say about a point which has not been raised, that is the markets. First, allow me to point out that it is an appropriate day to speak about fisheries, since it is Friday.

I am convinced that fishermen will be very proud and satisfied with this measure granting them an extension of 8 to 10 years to repay loans and increasing them from $4,000

to $10,000. This is a first step taken by the government.

On the other hand, the true problem would be to find a market to guarantee the sale of their fish. If fishermen must borrow to buy some modern fishing equipment in order to improve their efficiency and if they are not sure that they will sell their entire catch, they will always hesitate to do so. Such is the problem in the Gaspé peninsula at present. Fishermen have signed a contract with the United States who set and control the price of fish. Recently, the Quebec Minister of Fisheries was approached by the government of Haiti in order to enter into a contract for $3 to $5 million worth of fish. They were told there was a shortage of fish and that the small catch along the Gaspé coast was used solely to fill orders from the U.S., since they hold an exclusive contract.

If the government were to guarantee the sale of all the fish, as well as its distribution throughout the country, fishermen would no longer have to sell their surplus abroad.

In addition, several countries would be interested in dealing with us, but our governments do not seem to care. They should look after the marketing of our surplus fish; this would provide the industry with some profit and the fishermen with a certain amount of security; under those conditions they would equip themselves so as to make the largest catches possible; but, without that assurance that they can sell all their production, they will not be interested in obtaining loans and getting further into debt.

[*English*]

Mr. Carter: Mr. Chairman, like other Members who have preceded me I welcome the resolution in the knowledge that this amendment will benefit some fishermen in some parts of Canada. Having said that, I must point out that I was glad the Minister himself recognized the fact that this legislation will not be of any material benefit to the people of my riding, and I doubt that it will be of very much benefit to the fishermen of Newfoundland generally.

Some Members have attributed this to the lack of banks. It is true that we have very few branches of chartered banks in the smaller fishing communities of Newfoundland. In my own riding there are six. Two of them are quite close together on the Burin peninsula and the others are scattered along a coastline that extends for nearly 1,000 miles. But that is not the main reason. Even in those communities where banks are readily accessible the fishermen cannot make any use of this legislation mainly because the bank managers, for some reason which I have not been able to fathom, are very reluctant to make loans to fishermen even though the loans are guaranteed by the Government.

I think the hon. Member for Comox-Alberni said that up to the time the Dominion-Provincial Conference was held a year ago 12 loans had been made in Newfoundland amounting in total to $19,000. Two of those loans were made in my own riding, and I know about them because I know they would never have been made if I had not personally underwritten them. Therefore this amendment will not improve the situation so far as Newfoundland fishermen are concerned.

The Minister said he was disappointed that fishermen had not made more use of this legislation, but I was glad to hear him say that this is changing and fishermen are gradually making more and more use of it. I presume that is the reason for the extension of the maximum amount of loan. As I listened to the Minister I was struck by the similarity between this legislation and the legislation placed on the statute books several years ago making provision for loans to small businesses. I think the Minister said that the total amount of loans made under this legislation would not exceed $20 million. The same thing has happened in the case of small business loans. So far as my riding and province are concerned, that legislation has not served the purpose for which it was intended.

We in Newfoundland would be quite happy with smaller loans, even less than $4,000, if they were obtainable but, as I said, we have so few banks and no credit unions and the banks are not accessible to fishermen. They are hundreds and hundreds of miles distant. The only way to get to them is by sea, which is expensive and can take a lot of time. So it is just impossible for the fishermen to make any use of the legislation.

I was glad to hear the Minister say that some other provision would have to be made to take care of the problem in Newfoundland. We need small loans to look after special needs. In Newfoundland we have the inshore fishery and the deep sea fishery. The deep sea fishery is taken care of under the shipbuilding program and the measures to which the Minister referred in his interjection in the remarks of the hon. Member for Comox-Alberni. But so far as the inshore fishery is concerned, it is not in the fisherman's interest to saddle himself with a huge amount of

debt. The smaller he can keep the capital investment, the better. In my opinion it should not exceed $5,000 per person and the maximum of $10,000 should preferably be divided among two or three persons.

• (3:20 p.m.)

What we need in Newfoundland is a loan fund that will take care of emergencies. A fisherman may need a new boat. He can go into the woods and cut the timber for the frame but he needs some ready cash, $400 or $500 or perhaps $1,000, to buy planking for the hull and deck. If he has a boat, it is probably in his interest to get one of the small diesel engines that are now available on the world market. These little engines range in power from 5 horsepower up to 15 or 20 horsepower, but usually from 5 to 10 horsepower. They cost anywhere from $500 to $800. There should be a fund to which the fishermen can go to secure that amount of money. He is not saddled with a great amount of debt, and he is in a fair position to repay it over a short period.

Last winter one of my fishermen fishing with a longliner suddenly had $1,000 worth of gear destroyed by a foreign trawler. Well, this was a tremendous loss. He could not go to the bank because he had no more security to put up to satisfy the bank. He had to do without this gear until a merchant or a plant operator provided him with it. Only last week I had a letter from a constituent who said he could make a fairly good living if he could get a fleet of nylon gill nets. He has not been able to afford to get them up until now. These nets can be purchased through a Government agency for about $50, and can be put into the water for perhaps $75, fitted with moorings, floats and everything. He needs the cash, and he does not have it. The only other alternative for him is to purchase these nets through a supplier, but instead of paying $50 for the nets he will pay $100 or perhaps $120, exclusive of the moorings. These are examples of the needs which our fishermen want met.

The trouble with this legislation is that it does not help the people who most need help. If a person can go to a bank and get a loan of $10,000 under this legislation, he does not need the legislation. He could likely get the $10,000 loan anyway. It is the poor fisherman who has no security to offer except his good name, his industry and his reputation as a fisherman, who needs the help. Somebody has to take him at his face value and advance money on his character.

[Mr. Carter.]

Now, we have two loan funds in Newfoundland. We have the Fisheries Development Loan Fund, and that fund is used mainly for large loans for fishermen who want to buy Danish seiners. I do not believe that fund has been successful at all. What has happened has been this: A fisherman goes to this loan fund and obtains a loan of $40,000 or $45,000 to build a Danish seiner of about 75 feet. This is a tremendous amount of debt. Along with that, the marine insurance on this ship is very high and the operating expenses are high. By the time this man pays off his loan, he is right back where he started. He catches more fish, but he is no better off. The extra production goes to pay off the loan.

The most successful arrangement we have had in my Province has been a little fund that originated when the Premier of Newfoundland sold the Newfoundland Savings Bank to the Bank of Montreal. About $1 million was produced from that sale and it was split into two funds, half for the farmers and half for the fishermen. The purpose of the fund was to grant small loans to fishermen. There was a limitation as to what they could buy. They could buy only those types of gear and build those types of boats which met Government specifications. However, this fund could not begin to satisfy the demand. The amount of the loan was limited to less than $1,000. I think the average loan would be about $450.

Now, this legislation will not touch that need at all because the person who needs the help is not in a position to take advantage of it. I do want to appeal once more to the Minister. This legislation is all right. It will help somebody, and we will support it. However, so far as my Province is concerned and so far as my riding is concerned, we want a different form of financing. I hope the Minister will see to it that a fishermen's loan fund will be set up. I disagree with the hon. Member for Queens when he says this should be a provincial responsibility. I do not see why it should not be the responsibility of the Federal Government to provide this form of help to the fishermen, just as the Federal Government aids the farmers. We have more or less committed ourselves to do as well for the fishermen as we do for the farmers. I do hope the Minister will tackle this problem without any further delay.

Mr. Crouse: It is not my intention to speak at any great length or delay unnecessarily the passage of this resolution. I listened with great interest to the remarks of the hon.

Member for Burin-Burgeo. I could not help but note, with amazement, the marked similarity between the difficulties which face the inshore fishermen in Newfoundland and those which face our inshore fishermen in Nova Scotia. I dare say this is true of the entire Atlantic Provinces. The senior Member for Queens, and former Minister of Fisheries, stated that the Official Opposition's position is to approve of this resolution, and with that observation I concur.

The resolution before us states:

That it is expedient to introduce a measure to amend the Fisheries Improvement Loans Act to increase the maximum loan amount to a fisherman from four thousand dollars to ten thousand dollars and to increase the maximum repayment period from eight years to ten years and also to extend the period during which guaranteed loans may be made for a period of five years from June 30, 1965 to June 30, 1970.

Obviously, if this Act were going to be used at all the amount of the guaranteed loan had to be increased and the repayment period extended, especially in view of constantly rising costs. This is a very minor piece of legislation. It has not been, since the date of its inception, very beneficial to fishermen. In fact, many fishermen and bankers as well are apparently unaware of the existence of the Act. It is my understanding that the original purpose of this legislation was to facilitate the provision of term loans to fishermen, credit was being made available to finance a broad range of investments including the purchase, construction or improvement of fishing vessels, fishing equipment and shore installations. It was introduced in 1955 for a period of three years. The Government indicated at that time it would undertake to reimburse individual lending institutions for losses up to 15 per cent of loans or an aggregate of $500,000. A guarantee of 10 per cent is applicable in respect of loans, and that is not to exceed $500,000. There is an over-all limit of $20 million on the total amount of guaranteed loans which may be made by all lending institutions.

• (3:30 p.m.)

This Act was amended in 1959 and again in 1962. This resolution therefore represents the third time on which the Act has been amended or extended since its introduction. I simply note that the Minister has decided that the period of the guaranteed loan would be extended for another five years, or until June 30, 1970. I agree with this move. I do not see why this Act should come before Parliament every three years. However, it is evident that since its inception this legislation has met with only modest acceptance among the people it was designed to benefit. The number of loans granted makes this clear. In fact from the time of its inception in 1955 to March 31, 1964, a total of only 1,379 loans have been made, amounting in value to approximately $1,916,727. During this period a total of 281 loans were made in Nova Scotia to an amount of $392,248.

It is interesting to see for what purpose these loans were made. Loans for fishing equipment accounted for 365, to a value of $403,122. There were 1,003 loans in respect of the purchase or repair of vessels and boats, the total being $1,493,883. Eleven were in respect of the building and construction of vessels totalling in value $19,722. It is therefore evident that this Act has not been very beneficial to our fishermen or to the industry. It seems to me that some major improvements should be brought about which would make this legislation more attractive and more adapted to the needs of our fishermen. Last year only 202 loans were made, to a value of $368,229. Of the total number of loans made since the inception of this scheme, 897 amounting in value to $1,284,142 have been repaid. It is interesting to note that only three claims amounting to $615 have been paid by the Government since the inception of this Act.

A study of the small pamphlet put out by the Department of Fisheries covering the terms of this Act may well explain the reason for its lack of popularity. For example, it offers the fisherman no solution to his problem in time of disaster, and if he should lose his boat and fishing gear, which are not always adequately insured, he is not in a position to make the down payment for a new boat which is required by the chartered banks. I believe the amendments proposed, though beneficial, do not go far enough, and I think the government should give more consideration to the needs of our inshore fishermen when introducing amendments to the Fisheries Improvement Loans Act. After all, our inshore fishermen are still a vital factor in the economy of the Atlantic Provinces. Our lobster fishermen, for example, still top the list in dollar earnings and their catch generally represents 30 per cent of our province's landed value, which in 1964 was in excess of $42 million. The total catch for the Atlantic Provinces was 45 million pounds, worth $20 million.

Lobster fishing is one phase of the fishing industry which remains in the hands of the

primary producer, and one can safely say that it is the prime factor in keeping alive the inshore fishing industry along the entire coast line of Nova Scotia. Lobstering is usually a two-man partnership. Sometimes it is a father and son business, with each sharing equally in the profits and the losses. There are also some fishermen who like to go it alone. The lone fisherman is typical of the lobster fishery. Rugged and independent, he represents a way of life where a man is his own boss and where one's reward depends on the sweat and toil put into the job. Certainly this is no nine-to-five job. When I am at home in Lunenburg I am sometimes awakened by the loud exhaust of the lobster fishermen's boats as they put out to sea around four o'clock in the morning to haul in their traps. These sturdy individualists are representive of the fibre and sinew of this nation and they have truly earned the title of primary producers.

When the weatherman is kind and the sea gives up its red treasure, these inshore fishermen seek no help from anyone. But when disaster strikes and their meagre resources are inadequate to enable them to replace their boats and equipment they must turn to someone for help. This happens all too frequently. Last year, 39 fishermen were lost in the Maritimes, the greatest single tragedy being the loss of the trawler *Acadia Sea Hawk* when Captain Ronald Mosher and his crew of 13 men vanished beneath the shroud of a wintry Atlantic storm. Other than those aboard the *Sea Hawk,* the death toll involved mostly inshore fishermen. Inshore fishing accidents happen frequently and only a few months ago we read in the Halifax *Chronicle-Herald* how Keith Dixon and his 17-year-old son narrowly escaped death when a gasoline tank aboard their Cape Island type motorboat exploded at Woods Harbour, Nova Scotia. The boat—only three years old—was badly damaged by fire.

How will this legislation help these people? Oh, the Minister may say, they can get a loan under this Act to replace their boat and equipment. Let us look at the pamphlet and see what security they need. In the section dealing with security for a loan the pamphlet states the requirements to be:

(a) A promissory note signed by the fisherman and endorsed by one or more financially responsible persons, or

(b) Security on an insured fishing vessel...

(c) If the principal amount of the loan is $1,000 or less, an assignment of moneys to be paid to the fisherman.

Let us suppose no one will sign this note. His boat is destroyed and his earnings without equipment are negative. How does this fisherman get re-established? Would not a personal life insurance policy for the amount of the loan or the equity in a home be acceptable security? The Act is not clear on this point.

In the first part of the pamphlet the Department defines those who make application for a loan. It lists a fisherman as one who has a legal interest in a fishing vessel or a fish trap, and who intends to gain his livelihood from catching fish for sale. Many of today's fishermen find it difficult to qualify under this section of the Act, since they may not own shares in ships. I think a fisherman could also be defined as one who spends three or more months at sea, and whose unemployment insurance book contained sufficient stamps to verify this fact. The only real benefit under this Act at present is the 5 per cent interest rate on any loan that may be secured. However, when all the factors facing our inshore fishermen are taken into consideration, this is truly a very small concession.

If the Department is desirous of really assisting our inshore fishermen I would suggest it give more consideration to their real needs. In order to do this, conferences or consultations should be held in those areas where large numbers of our people are engaged in fisheries. The views of these men should be noted by our departmental experts and conveyed to our naval architects, our ship and boat builders and our engine and equipment suppliers, so that every aspect of improvements in small fishing craft could be studied. This could well bring about a more satisfactory and efficient design of inshore craft which the Department of Fisheries could approve, and which would then be more acceptable as collateral for a loan when any inshore fisherman desired a new boat or a replacement boat.

• (3:40 p.m.)

Finally, Mr. Chairman, I would suggest that the amount of any loan approved, and which is guaranteed by the Government, should be supported to a greater extent by the Government than at present, especially when the fisherman suffers a major loss. A Government guarantee of a minimum of 25 per cent repayment on the loan would be a suitable amendment to this Act, especially when a fisherman loses his boat and all his equipment in a storm or major disaster. I hope the Government will give careful consideration to these proposals and implement them in this bill, or in the not-too-distant future.

[Mr. Crouse.]

Mr. Granger: Mr. Chairman, I welcome the opportunity of joining those who have spoken on this resolution. I might add that, like the other speakers, I am pleased to see the broadening of this particular Act with a view to making it applicable to a greater number of the needs of fishermen. I am especially interested, however, in the needs of the inshore fishermen in the immediate future. Had I the time, Mr. Chairman, I would talk about some other aspects of the fisheries development program, such as the centralization program, the legislation for the 12-mile limit, and so on; but the fisheries development program of necessity is a complex one and deals with many facets of the fishing industry from the time before the fish is even caught up to the time it is sold. Such a program has to be far reaching; it will take time to get into full effect, and is one which will require the efforts of many officials both federal and provincial.

In the interim, however, the productivity of fishermen must be increased. I cannot think of a better way to get immediate results so that the incomes of fishermen can be improved than making available loans for those fishermen who need to improve their boats and gear, to improve their shore installations, and beyond that, to assist those men who perhaps are not fishermen now or who at one time were fishermen and want to return to the fisheries but do not have the boats, gear or money and must obtain capital assistance in order to become fishermen.

Without doubt, Mr. Chairman, capital assistance can be of immediately help to fishermen who wish to improve their existing equipment. A fisherman may require a new engine; he may want to make repairs to his boat, to his fishing gear, his traps or his trawls. When he is able to borrow the money for these things he is immediately equipped to produce more efficiently and to improve his income. I cannot think of a better way, with the possible exception of a further extension of the bait service, to immediately permit an increase in the income of fishermen than the provision of a means whereby fishermen can obtain capital assistance.

Like other speakers, Mr. Chairman, I wish to register by approval of the resolution and express the hope that fishermen will use this legislation. I also express the hope which has already been expressed by previous speakers, namely that the Minister of Fisheries will determine the necessity of making available to fishermen the capital assistance with which they can immediately become more productive and thereby earn better incomes. I was very glad to hear the Minister say that he had in mind the Province of Newfoundland with respect to the availability of loans under this Act. I have no doubt that the Minister will take whatever steps are necessary in order that there will be greater use made of this Act by the fishermen themselves. I do not wish to unduly delay the passage of this legislation, Mr. Chairman, and will conclude simply by reiterating the fact that there is perhaps no better way in which fishermen can immediately improve their position than taking advantage of capital assistance.

Mr. Danforth: Mr. Chairman, I rise to deal with one specific problem in connection with this matter. I would certainly like to compliment the Minister of Fisheries upon the step he has taken in increasing the scope of the loan and the amount of time given to the borrower to repay that loan. The problem I wish to discuss concerning loans is one that is perhaps bothering the Minister as well. I believe he is very familiar with it, because it is not a new problem. It is the fact that with regard to the inland fisheries and the fishermen I have the honour to represent, although there are grants, subsidies and loans made available at the federal level, for some unexplained reason it seems impossible for these loans to be made available to inland fishermen to the same degree that they are available to the coastal fishermen.

Only yesterday in the lake port of Wheatley there was a meeting of fishermen, the processors and the provincial Department of Lands and Forests which dealt with this very problem, namely the inability of local fishermen to take advantage of federal provisions. I would like to ask the Minister—and I listened with great interest when he discussed the fact that federal-provincial boards were being set up—because of his awareness of this problem, is there some way in which a meeting or an investigation could be held here in the Province of Ontario to see if it is not possible to work out a way in which the local fishermen could be placed on the same basis as coastal fishermen, as far as loans are concerned? It could well be that because there is no Department of Fisheries in Ontario and the fisherman must make representation to the Department of Lands and Forests, the vehicle is not present whereby such action can be taken. If such is the case, I think we should know it and

know it now, so that the appropriate steps can be taken to remedy this ill.

I know that when the fishermen of that area speak of not being able to obtain these loans, subsidies and grants, they are stating the fact, because I have been to the previous government and this Government with these fishermen to discuss their problem in detail. I have found the departments here very sympathetic in regard to the problems of the local fishermen and wishing to do all in their power to help these men, but they have been unable to find the mechanics for so doing. I have made representations to the provincial department and found there, too, sympathy for the problems of these fishermen, but they also seem unable to find an avenue of approach.

• (3:50 p.m.)

I would like to ask the Minister if he will give me a specific undertaking that he will look into this matter and see whether it is not possible from now on to put the local fishermen, the inland fishermen, on the same basis as far as loans, grants and subsidies are concerned as the fishermen on either coast. Because there is very little value in increasing the amount of loans or increasing the time to repay them if the local inland fishermen are not in position to take advantage of them.

The Minister has said that the amount lent so far is modest. He said he was disappointed at the use made of them. Perhaps the solution would be a concerted effort on the part of all parties to see why this is so, and whether something can be done at the earliest possible moment to widen the use of these loans. Farmers in my area have derived much benefit from the companion loans under the farm improvement loans legislation; these loans are used to a tremendous degree by local farmers. I would ask the Minister what can be done, either by working through the provincial fishing bodies or directly, to see that the local fishermen, the honest, hard working men who are facing grave problems today, are not placed in a position where they cannot receive the necessary funds to carry on their business, which I am sure they would be glad to do if given every opportunity.

Mr. Cashin: Mr. Chairman, I apologize for delaying the Committee a little; I know the mood of the Committee is to get on with the business this afternoon. Perhaps the only thing of significance which will be said of my speech when I sit down is that it will probably be longer than the Gettysburg address.

[Mr. Danforth.]

May I say first of all that were it not for the inclusion in the remarks of the Minister of an awareness of the lack of application of this Act, then I would find it very difficult to support this resolution. I think this Act is a great illustration of the mentality of many people who perhaps are in charge of rationalizing certain programs to make them acceptable to the standards of a mysterious class of people. This is an orthodox bill because it implies that the fishermen can get assistance by going to a bank. The fact that the legislation does not work is not, I suppose, of very much concern to some of those who have more the mentality perhaps of an accountant rather than that of an economist or sociologist, and it is a neat little package.

In the past two years the Minister has made aware to those of us who realize the inadequacies that he is fighting to do something about them. I am not going to eulogize the accomplishments of the past two years; I have done that on many occasions and I do not deem it necessary to do so at this time. However, I would say that he has probably been the most successful Minister of Fisheries on record. It is a tough job, particularly when dealing with the province of Newfoundland.

A lot has been said about our small boats and our inshore fishermen, who comprise 95 per cent of the Newfoundland fishermen. I think we must admit that the coming thing in fisheries is our off-shore fisheries. When we are talking about our inshore fishermen, we must realize more and more that our fishermen will become involved in our off-shore fishery either on trawlers or in fish plants.

Once again I say there are forces at work in this country which would impede this development. There are already a number of successful operators in Canada who have managed to be successful in fishing enterprises. They are not particularly concerned about attracting new industry or fishing companies to develop the resources of the Atlantic Provinces. It is a great tragedy to witness so much activity by foreign countries off our shores, who send their boats to take the fish. While those few companies which do operate in the Atlantic provinces do well it seems to me that the real answer is to get some of these companies who are operating in Europe to operate off our shores through a Canadian subsidiary, thus developing our fishing industry.

There are those who are quite concerned about Canadian ownership, and I subscribe in many instances to the view they hold. But it does seem to me that any study of the fishing industry makes us aware of the fact that there are a few major companies in Europe who are now sending many of their ships to the Atlantic coast of Canada and also to Greenland, and these companies must be encouraged to affiliate with existing companies in the Atlantic Provinces in order to develop our fishery resources. Or in the alternative we should attempt to get the Canadian-owned companies to expand, although this may be physically impossible because of their limited number.

This particular piece of legislation is supposed to be of some help to the inshore fishermen, but it has failed in the past. I suppose it represents a nibbling at a very major problem. I am not asking, nor I think are any of us, that we look for a handout here or for something for small inshore fishing operators; but if these people are to increase their productivity they must be given more opportunity than they have had in the past to get the necessary funds to purchase the required gear. As I have said, this particular piece of legislation has not proved to be the answer. Perhaps many feel it is a neat little package which can be defended in certain quarters; but unless and until the proposed changes which the Minister suggested in his opening remarks are brought about, many of us will be unhappy with the situation.

Another important thing is that it is necessary to stress, when talking of fishing, the realization that our future lies in the development of our offshore fisheries, which will require bigger ships and modern and efficient plants. Once again this will require more imagination than has been exhibited by successive governments in past years when talking about development of this particular resource.

There is some consolation in the fact that over the past two years a considerable amount has been done in this regard. But just because problems have been attended to is no reason to ignore other problems which have gone unattended to for a long time. Right now across this country there is a greater awareness than ever before of a battle or war on poverty. This will require an imaginative approach. It is not merely a question of coming up with something somewhere which you think you can defend and then sitting on it for five years or so, saying that you have done something about it and that it is not your fault that the fishermen did not take advantage of it. Your attitude should be that if a problem is existing you must find its solution. It is ludicrous and a mockery just to present certain pieces of legislation and then rest upon them, to say that that is what you tried to do, and it is too bad it did not work. Our job is to find something that will work.

In the suggested 14 point program announced a few months ago by the Minister I think he showed this kind of leadership which in coming years will lead to a substantial improvement in incomes of fishermen in Newfoundland, and I congratulate him. But I also know that his task will not be an easy one because there will be those who perhaps will not understand the problems as well as he does. There will also be those who will be pushing him perhaps a little harder than they should, or sometimes a little unrealistically. A combination of those two things is, in my opinion, the best hope for a solution.

The Acting Chairman (Mr. Tardif): The hon. Member for St. Hyacinthe-Bagot.

Mr. Barnett: Would the hon. Member permit a question.

Mr. Cashin: Yes.

The Acting Chairman (Mr. Tardif): Is the hon. Member indicating that he wishes to ask a question?

Mr. Barnett: Yes, Mr. Chairman. I understood the hon. Member was willing to allow me a question before he concluded his remarks.

The Acting Chairman (Mr. Tardif): Go ahead.

Mr. Barnett: When the hon. Member refers to the fact the scope of this legislation was limited by an accounting mentality, did he have in mind that the Minister defined under the Act is the Minister of Finance?

• (4:00 p.m.)

Mr. Cashin: I do not at all, because I have always regarded the Minister of Finance as much more of an economist and sociologist than an accountant.

[*Translation*]

Mr. Ricard: Mr. Chairman, I should like to make a few brief remarks about the resolution under consideration. Even though I am taking part in the debate, I am not to be considered as an expert on fisheries, but rather as an amateur who, like the hon.

member for Drummond-Arthabaska (Mr. Pepin), goes trout fishing occasionally. As a matter of fact, I would hope officials of the Department of Fisheries could lend both of us a hand so that we might be luckier and, thus, happier.

A few weeks ago I visited a part of the country where fishing is one of the principal means of subsistence. The fishermen I met there made me promise to take the first opportunity I would have in the house to make their views known to the Minister of Fisheries (Mr. Robichaud).

As you are aware, Mr. Chairman, those fishermen are good citizens and they often experience great hardship in plying their trade. Since the Minister of Fisheries knows very well the conditions under which our fishermen live, he will undoubtedly give all his attention to the problems I will submit to him as briefly as possible.

The New Brunswick fishermen I met asked me to make representations to the minister and ask him to fulfil the promise made to them during the last election campaign, to set up a 12-mile zone. They also asked that it be done as soon as possible.

They also convinced me that a great number of fishermen from other countries still come to our shores in order to benefit from our natural resources which, they feel, belong to them.

These fishermen also reminded me that they had been promised, with much fanfare, that as soon as a Liberal government came to power, their problems would be settled, along with those of all other sectors of the Canadian economy.

But they wonder when the government will take action, because however commendable it may be to lend the fishermen more money, what good is it to open the national coffers so that they may go deeper into debt, if they are not allowed to have a territory in which to earn a decent living?

Mr. Chairman, I shall say no more, except to urge the Minister to act and to put into effect, after two years, what he and his associates of the Maritimes have promised, with so much publicity, during the last electoral campaigns.

The time to act has come and, on behalf of New Brunswick fishermen, I ask the minister to deal with their problems, which he fervently promised to do when he was in opposition.

Mr. Robichaud: Mr. Chairman, will the hon. member allow me a question?

[Mr. Ricard.]

Mr. Ricard: Yes, Mr. Chairman.

Mr. Robichaud: Can the hon. member tell me in what part of New Brunswick he met these fishermen?

Mr. Ricard: Mr. Chairman, I went to Newcastle and, more specifically, I was in the riding which the Minister of Fisheries represents here. Moreover, I must tell him that the comments I heard with regard to his lack of interest in the fate of fishermen, whom he previously held so dear, were far from complimentary.

[*English*]

Mr. Coates: Mr. Chairman, I do not intend to hold up the passage of this resolution for any length of time, as I understand it is the intention of the House to complete the consideration of both the resolution and the bill today. I should like to mention one or two points, in view of the fact that there are many fishermen in my constituency who will be affected in a very helpful way by the recommendations contained in this resolution.

Obviously this resolution has been designed to make the fishermen aware of what is available to them in the form of credit. The former Minister of Fisheries pointed out that one third of the loans that had been approved under the Fisheries Improvement Loans Act, involving 25 per cent of the total amount that has been loaned, have been made to fishermen in the Province of Prince Edward Island. That certainly is not the largest province with a fishing industry, nor does it have the biggest fishing fleet in Canada, and the former Minister of Fisheries can take a good deal of credit in this regard. The people of the Atlantic provinces were much impressed by his policies in respect of this industry when he held the ministerial portfolio. I have no axe to grind with the present Minister of Fisheries, but I should like to say that it would indeed be difficult to find a man more interested in the problems of fishermen and the fisheries industry than the senior Member for Queens, the former Minister of Fisheries.

One of the problems I have encountered in speaking with the fishermen of my constituency relates to the fact that many of them are not anxious to go to banks to obtain loans. Over the years some of them have no doubt encountered difficulty in convincing bank managers that their operations are all that they feel they are. I hope the Minister will make certain that all fishermen are aware of the changes that are to be made to the Act and that the Government will guarantee the loans in question. I hope the

Minister can convince these fishermen that they should go to their banks to obtain the loans they require.

• (4:10 p.m.)

It might well be that we would be better off if we were to establish a board rather than requiring fishermen to go to banks to secure loans. Quite often fishermen and other people are more willing to make application to a Government board for a loan than they are to approach a bank manager for the same purpose. While I do not necessarily know that this would be the solution to the problem, it is quite evident that there is a problem because the fishermen are not taking advantage of the provisions of the Act in the manner we would like them to. There is not much sense in increasing the amount available to fishermen by way of loans if they are not going to go to the banks to borrow the money.

The Minister of Fisheries represents a riding in the Maritime Provinces as I do and he is aware that a great many of our fishermen, especially lobster fishermen, would rather borrow money from the buyers of their product and operate in that manner than go to a bank to secure a loan. If they could be convinced that they could secure loans from the banks by making application for them, certainly they would have a much greater degree of independence than they have now in obtaining loans from the buyers of their product. Quite probably they would also secure a better price for their product and thus be in a much better financial position at the end of the year.

Something has to be done by the Minister and the Department to make fishermen aware of the availability of these loans and of the fact that they can go to a bank and get the money. In my view action must be taken with regard to these two points. As I have said, we might be wiser to set up a board to which fishermen could apply directly for loans, rather than following the present method. There is no doubt there is much more speed and efficiency associated with the securing of a loan under the present method. I am not one who usually wants to promote Government bureaucracy and red tape, but at the same time there is not much sense in having legislation on the statute books if people are not going to take advantage of it.

Mr. Macquarrie: Mr. Chairman, I should like to say a word or two on this very important matter. Fishing is of tremendous importance to Prince Edward Island. The Almighty has blessed us in that our soil produces the finest potatoes in the world and our sea produces the best lobsters. Beyond that remark I will not go in the qualitative judgment of our commodities.

I should like to say that I appreciate the boost from the hon. Member for St. Hyacinthe-Bagot. Quebec and the Maritimes have a good deal in common in that on many issues we are probably not getting our fair share of the economic wherewithal of Confederation and perhaps we should be allied more often than we are in presenting our case to the Dominion entity.

I was, as I always am, impressed with the wisdom of my senior and I may say older colleague—appearances to the contrary that is a factual statement—the former Minister of Fisheries who was a most excellent minister representing a fishing province. What he has said I endorse completely, as I do the general remarks made by my colleagues from the Maritimes.

One is impressed and somewhat disturbed that so little use is made of this opportunity by our fishermen. It certainly is not that they are so well off, because many of them are far from it. I notice that Prince Edward Islanders are doing better in this regard than the fishermen of some other provinces. As the hon. Member for Cumberland has pointed out, I think it is incumbent upon the Government and the Minister actually to do something more to publicize the opportunities available and I hope he will do more. As my colleague here suggests, perhaps he could put his picture in the newspapers like the Minister of Labour did. This might do something in this regard. I will not say what it would do, but the fact is that more publicity is required.

I am impressed too that although this legislation has been on the statute books for some time there is, so far as I can recall, no gesture of financial assistance toward any industry which has cost the Government so little. When one contrasts the amount of loans and the amount of repayments he sees that there has been a very small outlay in terms of the tax dollar. I am not suggesting that there be more and more claims or that there be a lack of payment, but certainly we must all be seized with the idea that here is a measure of assistance with which the people in the industry are obviously not familiar, and that very little is being done that any private financial agency is not doing in the normal course of events.

There is one other aspect that concerns me which I may have a chance to discuss later.

I refer to the occasional drastic need for financial assistance which comes to our fishermen because of the elements and the destruction of gear, traps and so on. With a short season one wonders whether the machinery is sufficiently geared to meet that kind of need. But, like my other colleagues, in general I support the resolution and I suppose as good a way to support it as any is by not prolonging the discussion thereon.

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

Mr. Robichaud: Mr. Chairman, I believe some hon. Members are expecting replies to the questions they have asked. First, I want to express my appreciation for the support which all Members who have spoken have given to the proposed amendments. I agree with the two hon. Members for Queens and the hon. Member for Cumberland that every possible action should be taken in order to advertise this legislation and try to make it more popular, more practical and, if at all possible, more available to the fishermen. I hope I will not have to agree to the suggestion made by the last Member who spoke, and have my picture put in the newspaper. I believe this would be of no assistance in making the legislation more available to fishermen. I know that most fishermen know me well enough that they do not need to see my picture in the newspapers.

The hon. Member for Comox-Alberni referred to the fishing zone legislation passed some 11 months ago. I have no doubt that the hon. Member is very conscious of his responsibility toward the fishing industry of his province and also of his responsibility in regard to our international relations with other countries. I am sure the hon. Member would not suggest that we take immediate, drastic action that could jeopardize our good international relations by adopting measures which could be detrimental to the fishing industry of his province as well as that of other parts of the country. He suggested in his remarks that nothing has been done about the fisheries development program such as we undertook to do following the Federal-Provincial Conference held some 15 months ago.

• (4:20 p.m.)

I am sure that the hon. Member is well aware of the increased assistance which has been granted for the construction of fishing vessels, including vessels built for ground fishing operations in his own Province of British Columbia. I am sure the hon. Member would not suggest we take action now to facilitate the construction of additional fishing vessels for the salmon industry. We would not be logical. According to the statistics advanced by the hon. Member we should exercise some control in an industry which, many of us believe and perhaps rightly, is being over-exploited. We would not be logical, therefore to assist in building more fishing vessels for that particular industry. I could say the same thing about the lobster industry on the Atlantic cost. I do not believe it would be logical for us to provide facilities for the construction of additional lobster fishing boats when we are trying to control this fishery which many of us believe is over-exploited.

The hon. Member knows also of the changes which have been made in the fishermen indemnity plan and the large number of cost-sharing programs which are now under way in the different provinces, along with the centralization program which has been introduced in Newfoundland, as well as the grants assistance program which has been announced by the Prime Minister on June 7 and which would provide in designated areas a subsidy of 33⅓ per cent for new processing industries or the extension of existing industries. These are only some of the measures which have been introduced recently in order to get this national program under way.

Now, most Members of this House are familiar with the operations of the different provincial loan boards. I do not believe it is the responsibility of the Federal Government to induce or force the Province of British Columbia to establish a provincial loan board. These loan boards have been very effective in the Atlantic Provinces and in the Province of Quebec. They have provided direct lending to fishermen. I am personally familiar with many of them and I had the responsibility of initiating such a board in the Province of New Brunswick in 1946. I was the secretary of that board for over six years. Since then, this board has lent millions of dollars to fishermen in the Province of New Brunswick. Similar boards exist in the Province of Nova Scotia, and other Atlantic Provinces and they have been very successful.

The hon. Member for Cumberland suggested that a Federal loan board might be established. I would be afraid that if such a measure were introduced it would lead to overlapping. Provincial loan boards are more familiar with the needs of the fishermen in

their respective provinces and, as I have said, they have been very effective. I want to say too, that as suggested by the hon. Member for Medicine Hat, we will try to find ways and means for making this legislation better known and, if at all possible, influence the banks to allow the fishermen to take greater advantage of it. The hon. Member for Queens-Lunenburg referred to a pamphlet which has been published to advertise this legislation. Personally, I thought this pamphlet, which was introduced under the previous administration, was quite effective. In view of the suggestion made by the hon. Member, we will try to improve it and make it still better.

[*Translation*]

The hon. member for Quebec West (Mr. Plourde) mentioned, concerning the sale of fish, that the Haitian government made an offer to purchase $3 million worth of fish.

In the fishing industry the difficulty is not to sell fish but to produce an abundance of high quality fish. We can now market all the fish we can produce.

If the province of Quebec, at the time this offer was made, could not meet the requirements as far as quality of quantity is concerned, it is because it was able to sell its catches on markets offering a better price. In the abovementioned case, of which I was aware, the offer related to the purchase of a certain quantity of dried cod for which the market is rather limited. Fishermen of the province of Quebec, like those of the Atlantic provinces, prefer perhaps a more modern or practical way of preparing fish according to the market demand.

As to the remarks of the hon. member for St. Hyacinthe-Bagot (Mr. Ricard), the government of his province and not the federal government is responsible for trout production.

[*English*]

The hon. Member for Burin-Burgeo has suggested that we should provide credit for fishermen on the same terms as that available for farmers. I must say, Mr. Chairman, that the credit facilities made available to fishermen are comparable to those made available to farmers. I would say in many ways they are superior because we offer to fishermen certain subsidies for the construction of vessels or equipment which are not available to farmers. We provide subsidies of 25 to 50 per cent for the construction of certain types of vessels and there are many farmers who would like to have the same advantage in the purchase of their equipment.

The hon. Member for Queens-Lunenburg referred to the definition of "fisherman". I believe if he had read clauses 2 and 3 of the regulations, he would have noticed that a fisherman was not only a person who had an equitable or legal interest in a fishing vessel but also in a weir or similar fish catching device. If he has any interest in this fishing equipment or if he is qualified for a licence, then he can qualify for a loan.

Mr. Crouse: Will the Minister permit a question at that point? What would be the status of a fisherman who applied for a loan under this Act if, prior to his application, he was engaged entirely on a deep sea trawler and had no share in the trawler, or in any weir or any other piece of fishing equipment, but decided to leave deep sea fishing and participate in the inshore fishing industry, for which he would need a loan? What would he use to justify his situation as a fisherman?

Mr. Robichaud: According to my interpretation of this Act and the regulations thereunder such a fisherman would be qualified for a loan because he would meet the main requirements of the Act. He would be in a position to place a certain deposit on his gear, which would be an equity in the gear, and I believe that under the Act he would qualify.

Now, the hon. Member for Grand Falls-White Bay- Labrador has suggested we should find more practical ways of giving capital assistance to the fishermen. I want to assure the hon. Member we are now studying that possibility. The hon. Member for Kent (Ont.), has argued that the inland fisherman cannot benefit to the same degree as the coastal fisherman under the present legislation, which is in fact applicable to inland as well as coastal fisheries. I have already explained to the hon. Member that in recent months the Government had a number of meetings with representatives of the Governments of the inland provinces and of Ontario to study the possibility of extending to those areas the same facilities which are available to the coastal provinces. We note the willingness of the provinces to join in some of these programs, and if this is done I want to assure the hon. Member that the Federal Government will be prepared to co-operate.

In reply to the hon. Member for St. John's West, I may say I agree with him that we must assist the small boat owner during this transition period. I am convinced that

some fishermen will easily acquire such boats and we will try to do whatever we can to assist them during this transition period.

Now, Mr. Chairman, I hope I have answered most of the questions that were addressed to me. If this resolution is accepted by the House, I would hope I would have unanimous consent to proceed to second reading.

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

• (4:30 p.m.)

Mr. Barnett: Perhaps while we are in committee on the resolution I might be permitted to address one or two questions to the Minister which might serve to avoid carrying on an extended discussion at other stages of the bill. I was interested in what the Minister had to say about the credit facilities offered by provincial loan boards in the Atlantic Provinces. He suggested that the funds made available ran into millions of dollars. I can understand that the Minister may not have detailed figures available to him today when we are dealing with Federal legislation, but I should be glad to have further particulars about these loan boards.

I should like to relate this information to remarks I made when I was quoting from a brief by the Government of Newfoundland. The Premier of that Province suggested that loans made to farmers under comparable legislation had been on a scale a thousand times greater than loans to fishermen under fisheries legislation. In order to put this into perspective I should like to refer to a table with which I am sure the Minister is familiar. This table indicates that the net product value of agriculture is some 20 times as great as the net product value of the fisheries. I am trying to get a picture of the total credit facilities available to fishermen as compared with those available to farmers, and the degree to which money available from provincial loan boards closes the gap between 20 to 1 and 1,000 to 1.

Mr. Robichaud: I do not have complete information with me this afternoon, but the Province of New Brunswick has lent close to $10 million since the inception of their Loan Board Act in 1946. This year I believe more than $2 million was included for this purpose in their estimates. The figures for Nova Scotia may be somewhat higher. In proportion to the number of fishermen in the two provinces, the figures for Newfoundland and Prince Edward Island would be about the same.

[Mr. Robichaud.]

Mr. Barnett: I have one other point to raise with reference to the Minister's comment that he was sure I would not want to see more boats and gear go into an already overcrowded salmon industry in British Columbia. Let me make it clear I am one of those who have pointed out that something needs to be done about this situation. On the other hand I have heard many Members of this House representing farming constituencies express concern about what they refer to as vertical integration. My feeling is that vertical integration came to the fishing industry long before the farmers began to talk about it. I am wondering whether or not provision for credit is such as will enable fishermen to extricate themselves from the position in which many of them now find themselves.

Let me make my meaning clear. One of the papers which provides background information for the fisheries conference points out that traditionally many of the borrowing requirements of fishermen have been supplied by the merchants or processors who buy the fish. This source of credit has always been used, though the tendency now is to turn to other sources of credit. I should like the Minister to tell us how far this legislation will go to closing this gap. Are the arrangements adequate to enable a practising fisherman to extricate himself from a state of virtual peonage such as has existed over many years?

Mr. Robichaud: There is no doubt this legislation will constitute an improvement compared with the existing legislation. I would point out particularly that the "ceiling" has been raised from $4,000 to $10,000.

Again, I cannot take responsibility for the provisions made by British Columbia which has not its own loan board. Possibly they do not see any need for a further extension of credit. Possibly they consider that over-fishing is already taking place in some cases, and they do not wish to see fishermen engaged in the salmon fishing operation. We are now providing a 50 per cent subsidy on the construction of fishing vessels for groundfish operations on the West Coast. This will be of some assistance. I know that in the Atlantic Provinces fishermen are taking the best possible advantage of the existing loan boards.

Resolution reported and concurred in.

Mr. Robichaud thereupon moved for leave to introduce Bill No. C-121, to amend the Fisheries Improvement Loans Act.

Motion agreed to and bill read the first time.

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

Mr. Knowles: Mr. Speaker, we are willing to have it read the second time now, but we hope that when we get into Committee of the Whole the Minister will be willing to have that discussion put off to another sitting.

Mr. MacLean (Queens): As far as this party is concerned we would be quite agreeable to passing second reading of the bill. It is a very simple bill and there is nothing in the bill except what is contained in the resolution. It involves just a change of three words —the date and the amount, I am informed. If the House agreed, it would seem advisable to us to proceed with second reading and pass all stages of the bill, although in ordinary circumstances it is not a good practice to do this in the case of complicated bills containing a number of provisions.

Some hon. Members: Agreed.

Mr. Deputy Speaker: By unanimous consent.

Mr. Robichaud moved the second reading of the bill.

Motion agreed to, bill read the second time and the House went into Committee thereon, Mr. Lamoureux in the Chair.

Mr. Winch: May I at this time raise a question of privilege?

The Chairman: Order, please. We are now in Committee of the Whole and this is not a proper time at which to raise a question of privilege.

On clause 1—

● (4:40 p.m.)

Mr. Knowles: Mr. Chairman, we will go a step further than I indicated a moment ago. We will agree to putting the bill through the committee stage today, but we think it might be better to hold third reading until another day.

Mr. Robichaud: This is perfectly agreeable, Mr. Chairman.

Mr. Danforth: Mr. Chairman, I would like to direct one question only to the Minister. Have I an undertaking that the Minister will see if something can be done to remove the block that exists with regard to inland fishermen receiving loans? This is quite a problem. I wonder if I could have an undertaking on that matter.

Mr. Robichaud: Mr. Chairman, I do not believe the hon. Member followed the reply that I gave a few moments ago to the questions he had asked. I said that loans under this legislation are available to inland fishermen as well as they are to coastal fishermen. In so far as Fishermen's Loan Boards are concerned, we have instituted Federal-Provincial Committees which have been meeting quite regularly in recent months to study the possibility of extending to the inland provinces not only loans which are available from provincial loan boards, although this is a decision to be taken by the provinces, but also assistance under the indemnity program. So we are doing everything possible to co-operate and I hope that we are not too far from agreement on this matter.

Mr. MacLean (Queens): Mr. Chairman, I just want to point out to the Committee, in passing, that I think great credit should be given to the fishermen of Canada who have taken advantage of this Act for the fact that during the whole of its existence there have been only three cases when claims have had to be paid by the Federal Government, and the total amount of actual expenditure on behalf of the Federal Government because of default in loan repayments is only $615. I think this is an extraordinary record. I want to say again that I think one of the reasons this Act is used in my Province more than in others, proportionately, is that the fishermen there are mostly part time fishermen and most of them are also farmers. They are therefore thoroughly familiar with financing under the Farm Improvement Loans Act, and having formed that habit they turn naturally to this Act. I have nothing more to say at the present time, Mr. Chairman, except that the other hon. Member for Queens, my hon. friend and colleague, made a statement which I think might in certain hon. Members' minds call into question his veracity when he said I was several years younger than him. Incredible as this may seem, Mr. Chairman, the hon. Member is perfectly correct and that is the fact.

Mr. Walker: You would never know.

Clause agreed to.

Clause 2 agreed to.

Title agreed to.

Bill reported.

Questions of Privilege

PRIVILEGE

MR. WINCH—DORION INQUIRY—PRESS REPORT OF FINDINGS

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, is this a time when I can rise on a matter of personal and House of Commons privilege of which I have given you notice?

Mr. Deputy Speaker: The hon. Member can state his question of privilege.

Mr. Winch: I would like very much, Sir, to raise a matter of not only personal privilege, but I think House of Commons privilege. It is not my intention to quote to Your Honour Standing Orders, custom or precedent. I approach you, Mr. Speaker, on the basis of one point alone, and that is that in your position and under your office and oath you are, Sir, the embodiment of the protection of the rights and privileges of Members of the House of Commons.

My question of privilege, therefore, Sir, on that basis and that basis alone, is to ask your consideration of what in my experience in the 12 years I have been in the House of Commons is one of the greatest insults given to yourself as Speaker, Sir, the Government and the House of Commons, in that in a newspaper published in Ottawa this afternoon, the Ottawa *Citizen*, there is a report of a Royal Commission, the Dorion Commission. The evidence, Sir, is there for all to see, because in the first paragraph it says:

> Chief Justice Frederic Dorion's report on his judicial inquiry will be handed to the Government on Monday, June 28, the day Prime Minister Pearson returns to his desk from London.

Mr. Speaker, that is ten days from today. Then four paragraphs later it says:

> Although inquiry staff will not discuss Judge Dorion's findings, a source who claims to be informed—and whose record in situations of this sort in the past has been remarkably accurate—gives this preview of Judge Dorion's conclusions:

Not only do we then have what purports to be, on this authoritative source, the report of Chief Justice Frederic Dorion but we also have, Sir—and this is of the utmost importance—a photograph on the front page of the Minister of Justice (Mr. Favreau) bearing the caption "Questions", and the picture of another Minister with the caption "Cleared". Then on page 3 the article is headed "Dorion preview". I say, Sir, that this is an absolute insult to the Commissioner, Chief Justice Dorion, an insult to the Prime Minister (Mr. Pearson), an insult to the Government, an insult to the House of Commons, and should be investigated immediately.

[Mr. Walker.]

Mr. Deputy Speaker: Order, please. The hon. Member had given notice approximately an hour ago of his intention to raise a question of privilege. I had at the time very serious doubts as to whether there was a real question of privilege, and I would like to refer the hon. Member to Beauchesne's Fourth Edition, Citation 105(2), which says:

> It is the practice in the House of Commons to bring up a question of privilege after prayers, and before the House has taken up the Orders of the Day. Only in very aggravated cases, requiring the immediate interposition of the House, will any business be suddenly interrupted.

The complaint of the hon. Member may or may not be well founded. But I would suggest to him that if there is a question of privilege, which I doubt, but about which I do not feel at this time I should be called upon to make a ruling, this matter should be raised at the proper time. That would be Monday, before the orders of the day.

Mr. Winch: Of course I always bow to the Speaker's ruling, but may I say that if there was ever an aggravated case of insulting the House of Commons, the Prime Minister and the Government, this surely is it.

HOUSING

ADDITIONAL OFFICERS FOR CROWN CORPORATION

Hon. J. R. Nicholson (Minister of Citizenship and Immigration) moved the second reading of Bill No. S-8, to amend the Central Mortgage and Housing Corporation Act.

Motion agreed to, bill read the second time and the House went into Committee thereon Mr. Lamoureux in the Chair.

• (4:50 p.m.)

On clause 1.

Mr. Nielsen: Perhaps the Minister would make a brief explanation on clause 1.

Mr. Nicholson: This Bill was passed in the other place on May 27 after full and careful consideration by the Committee on Banking and Commerce. A transcript of the proceedings before that Committee is available and some hon. Members have seen it. I understand the hon. Member for Yukon has had an opportunity of perusing it.

Briefly, the bill provides for the appointment of two additional Vice Presidents of Central Mortgage and Housing Corporation, the Corporation or agency charged with the administration of the National Housing Act. The work of the Corporation over the 20 years

that it has been in existence has expanded to such an extent that the appointment of these two additional officers, both in the opinion of the directors of the Corporation and in my opinion as the responsible Minister, is overdue and I hope that this Committee will give speedy consideration to the legislation which permit the appointment of these two additional Vice Presidents.

I might say that the principal functions of the Corporation today fall into three categories—lending and mortgage operations, urban development and public housing, and administration and finance. Each of these categories demands top level direction. I would hope that this committee, in view of the very careful consideration given this bill in the other place, would see fit to approve of the speedy passage of this legislation.

Mr. Nielsen: Mr. Chairman, certainly this party wishes to expedite passage of this legistion. I have had an opportunity of carefully reading the proceedings in the other place and most of the questions which could have been asked were answered by the Minister before the Committee of the other place. However, he might give the Committee his assurance that Mr. Hignett, the present President of the Corporation, will be continued as President and that there is no intention of disturbing that position. He might also inform us, if he can, what the intended salaries are for the two additional Vice Presidents; and perhaps he would tell us whether or not the Corporation has made any recommendations, to his knowledge, as to the individuals who will be recommended for appointment to these two additional positions.

Mr. Nicholson: It is certainly the intention to continue Mr. Hignett as President. He was appointed last year, on the death of Mr. Stewart Bates for the term of seven years; he has nearly six years to go. At the same time as Mr. Hignett was appointed one of the senior executive directors, Mr. Jean Lupien, was appointed as Vice President—the only Vice President—at that time. His term has still approximately six years to go.

As far as salaries are concerned it would have been infra dig or quite improper for the board to consider salaries until Parliament has acted in this matter. Under the Act and the proposed amendment, the salaries will be fixed by the board of the Corporation, subject to approval by the Government.

I can state that the present salary of the President of the Corporation is $25,000. The salary of the only Vice President is something less than that. As mentioned these two men will continue as the two senior executives of the Corporation. This gives some idea of the ceiling on what might be expected to be the salary of the new Vice Presidents; it will be in the range of $21,000 to $25,000. That is only an estimate; the Board of Directors have to make a recommendation to the Government.

Mr. Nielsen: As indicated in the proceedings the salaries of the two Vice Presidents who are going to be added by this legislation will be somewhat less than the existing Vice President. Could the Minister answer the last part of my series of questions, namely whether or not, to his knowledge, there have been any recommendations made with respect to the personnel who are to fill the two new posts. Perhaps he cannot answer that but he might give the Committee the assurance that the Corporation will select these gentlemen from within the Corporation.

Mr. Nicholson: In answer to the question which has been put, no such recommendations have been made to me. When the President and the other representatives on the Board came to see me they informed me that they do have men of the calibre required within the organization, who would no doubt be considered for these posts.

Mr. Rapp: I take it these two additional Vice Presidents will not be appointed from certain regions but from the Corporation itself?

Mr. Nicholson: They will be working executives of the Corporation chosen for their abilities, not for geographic reasons.

Mr. Pepin: I have two short questions, Mr. Chairman. First, what are to be the functions, in general terms, of the two new Vice Presidents? Second, what are to be the relations between the present Vice President and the new ones?

Mr. Nicholson: Under the amending bill now before the Committee for consideration the present Vice President, who was appointed to the Board of Directors by the Board with the approval of the Government, will continue as the only Vice President on the Board. His salary, as has already been intimated in the Committee of the other place, will be higher than that of the two new Vice Presidents, who I hope will soon be appointed.

We are fortunate in having as the sole Vice President at the present time a man of outstanding ability whose background is in the lending and mortgage field. It is hoped that he will continue to discharge those responsibilities, but at the same time in the absence of the President he would be the chief executive officer and perform the functions of President.

With regard to the other two Vice Presidents it is proposed, subject of course to what the Board may do and they may change their ideas on this—that one of them should be the senior officer and assume executive responsibility for urban development and public housing. Second Vice President who would be appointed would be in charge of the administration and finance branch.

Mr. Herridge: I have one question to ask the Minister. In view of the appointment of two Vice Presidents, does this mean that it will now be possible for senior officials like the President or the Vice Presidents to travel a little more across the country and become acquainted with actual conditions? I represent a district in which tremendous things are going on at the present time which require the particular study of Central Mortgage and Housing Corporation. Would senior officers have an opportunity to see such developments?

Mr. Nicholson: That is one of their probable functions. Another factor which influenced me in making the recommendations to the Government which have been incorporated in this bill is that you now have in these important fields of urban renewal and public housing the necessity for sending a senior executive out across the country to speak for the Corporation. It was hoped that the three Vice Presidents, in whatever field their duties might fall, might be able to act as spokesmen for the Corporation in their respective fields, as suggested by the hon. Member.

Mr. Knowles: Just one question. There are to be three Vice Presidents. From a reading of the Act am I correct in assuming that one of them, the present one, is appointed by the Governor in Council, but that the other two are named by the Board of Directors?

Mr. Nicholson: They are to be appointed by the Board of Directors subject to approval by the Government. The existing Vice President has been designated as Vice President, and if the amending bill passes he will continue as the only Vice President who will be a member of the Board.

• (5:00 p.m.)

Mr. Knowles: The other two that are to be appointed are not then to be drawn from the other members of the Board of Directors?

Mr. Nicholson: No. I think it likely they will be chosen from among the senior working officials of the corporation.

Mr. Barnett: Mr. Chairman, while we are discussing the subject of Vice Presidents and their duties, I should like to ask the Minister a question about which I am sure he will be interested in view of some of his other responsibilities. Has any consideration been given to having one of these Vice Presidents appointed from among those individuals who might be willing to take a special interest in the housing problems of the Indian people, and who might be prepared to promote within the Board greater activity and concern in respect of the development of an adequate program for Indian housing?

Mr. Nicholson: Mr. Chairman, wearing two hats as I now am, I should like to be able to give the hon. Member the assurance he is asking for, but housing for Indians is in a different category from housing for other Canadians because of the fact that Indian reserve lands are owned by the Crown and not by individuals. I certainly am interested in improving housing conditions for Indians living on the reserves as band members, as well as for those who live off the reserves. I am afraid that in this particular case the responsibilities to which I have referred are of such a nature that it should be left to the Board of the Central Mortgage and Housing Corporation to make decisions as to the functions of the three Vice Presidents.

Mr. Barnett: Mr. Chairman, I was simply attempting to make the point that a Vice President with those responsibilities could perhaps wrestle with this problem of land ownership and title as it relates to the availability of housing to which the Minister has referred.

Mr. Pepin: I should like to make one point, Mr. Chairman. In the absence of the President would the present Vice President have full authority in respect of grants?

Mr. Nicholson: It is quite clear in the bill before the Committee that in the absence of the President the present Vice President will be the acting President with full authority.

Clause agreed to.

Clauses 2 to 6 inclusive agreed to.

Title agreed to.

Bill reported and read the third time and passed.

BUSINESS OF THE HOUSE

Mr. MacNaught: Mr. Speaker, before proceeding to private Members' business I should like to have the unanimous consent of the House to consider an estimate of the Department of Labour, being in supplementary estimates (A). There is some urgency about this matter. I have spoken to the House Leaders of the various parties and have been informed that there will be no objection. This will only take two or three minutes to consider.

Mr. Knowles: D'accord.

Mr. Herridge: Mr. Speaker, will the Minister explain this item?

Mr. MacNaught: I will make an explanation, yes.

SUPPLY

The House in Committee of Supply, Mr. Lamoureux in the Chair.

DEPARTMENT OF LABOUR

8a. Payments in accordance with terms and conditions approved by the Governor in Council under the Winter House Building Incentive Program during the fiscal years 1964-65 and 1965-66 of $500 per dwelling unit substantially built during the period November 15, 1964 to March 31, 1965—To extend to April 15 1965 the termination date of the period referred to in Labour Vote 8b of the Appropriation Act No. 10, 1964; to authorize payments in the current fiscal year of undischarged commitments under Labour Vote 34d of the Appropriation Act No. 5, 1963; and to supplement the said Vote 8b, $2,000,000.

Mr. MacNaught: Mr. Chairman, on March 23 the Minister of Labour announced in the House that the winter works house building incentive program period for construction was being extended to April 15, 1965. In making that announcement he said it was the Government's intention to place before the House a supplementary estimate for the fiscal year 1965-66 to authorize the extension to the program. On May 18 supplementary estimates (A), the ones now under consideration, for the fiscal year ending March 31, 1966, were tabled in the House. These estimates consist solely of an item designed to authorize the extension of the program. In order to make payments on claims on hand and claims that are being received daily in respect of houses completed during the period from April 1 to April 15, it is important that this supplementary estimate pass as soon as possible.

Mr. Knowles: Carried.

Mr. Pugh: Mr. Chairman, I should just like to say that this is most necessary and we all agree with the extension and its purpose.

Mr. Clancy: Mr. Chairman, I object to this procedure. I think every Member of this House should have a copy of the supplementary estimates. I think they should be tabled in the House and that every Member should have a copy.

Mr. Olson: Mr. Chairman, these supplementary estimates for the Department of Labour were distributed to every Member of the House several days ago.

Resolution reported and concurred in.

WAYS AND MEANS

The House in Committee of Ways and Means—Mr. Lamoureux in the Chair.

Hon. J. Watson MacNaught (for the Minister of Finance) moved:

That toward making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending 31st March, 1966, the sum of $2,000,000 be granted out of the Consolidated Revenue Fund of Canada.

Resolution reported and concurred in.

Mr. MacNaught (for Mr. Gordon) thereupon moved for leave to introduce Bill No. C-122, for granting to Her Majesty certain sums of money for public service for the fiscal year ending the 31st March, 1966.

Motion agreed to, bill read first and second times, considered in committee, reported, read the third time and passed.

• (5:10 p.m.)

Mr. Knowles: Five o'clock.

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

JUVENILE DELINQUENTS ACT

AMENDMENT RESPECTING APPLICATION TO MENTALLY RETARDED PERSONS

Mr. William Dean Howe (Hamilton South) moved the second reading of Bill No. C-7, to amend the Juvenile Delinquents Act (application to mentally retarded).

He said: Mr. Speaker, the purpose of the bill which I have introduced is to confer upon the mentally retarded the protection of the Juvenile Delinquents Act. The philosophy of that Act is now expressed in section 3, subsection 2, which states:

> Where a child is adjudged to have committed a delinquency he shall be dealt with, not as an offender, but as one in a condition of deliquency and therefore requiring help and guidance and proper supervision.

This is more fully expressed in section 38 which reads as follows:

> This Act shall be liberally construed to the end that its purpose may be carried out, namely, that the care and custody and discipline of a juvenile delinquent shall approximate as nearly as may be that which should be given by its parents, and that as far as practicable every juvenile delinquent shall be treated, not as a criminal, but as a misdirected and misguided child, and one needing aid, encouragement, help and assistance.

In section 2, subsection 1, "child" is defined as meaning "any boy or girl apparently or actually under the age of 16 years, or such other age as may be directed in any province pursuant to subsection 2". The operative word here is "apparently". Our legal processes rest upon the comprehension of the accused of the nature of his crime and of the court proceedings subsequent to it. Chronological age is of no consequence if an accused is mentally defective and unable to comprehend. Therefore in my amendment chronological age and mental age are taken into account in the definition of the word "child".

Section 12 of the Criminal Code states:

> No person shall be convicted of an offence in respect of an act or omission on his part while he was under the age of seven years.

Section 13 provides as follows:

> No person shall be convicted of an offence in respect of an act or omission on his part while he was seven years of age or more, but under the age of fourteen years, unless he was competent to know the nature and consequences of his conduct and to appreciate that it was wrong.

While mental retardates within these mental age limits cannot be regarded exactly as children of these chronological ages, it is still true that their comprehension is not such that they should be treated as adult criminals. It is within the philosophy of the Juvenile Delinquents Act to accord them the privileges of that Act. They should not, for their own good as well as for the good of the community, be exposed to the usual public and trial processes of the criminal courts. Even if they are adjudged offenders, they can neither comprehend nor benefit from the kind of punishment usually given an adult offender.

Under the Canadian law at present an insane or mentally defective offender may be detained in a place of safekeeping under an order of the Lieutenant Governor of a province and never be brought to trial. This is contained in section 527 of the Criminal Code. I do not believe that such a situation should be allowed to exist, but that is not the point at issue today. The point is that a mentally retarded person can be arrested and charged and be subjected to full publicity. He can be incarcerated for years or for a lifetime with no trial, and he and his family continue to bear the stigma of an unproven crime. This is not permitted to occur in juvenile offences and it should not occur in offences by retardates.

All of us are aware of cases in which the present laws inflict grave hardship. A recent case in Canada involved a man of 25 charged with a criminal offence. His mental age was six years. It was obvious that he did not understand the nature of the crime and certainly did not understand the criminal proceedings brought against him. In addition, he was not even capable of committing the crime. Even so, this case received full publicity at the time, with its attendant hardships upon the family of the accused.

I should like to refer to a statement by Mr. Justice Thompson of the Ontario Supreme Court in which he said that everyone charged with a crime must, as a matter of constitutional right, be capable of understanding the nature of the proceedings and comprehending their course, must be able to plead and properly instruct counsel and be able to make proper and full answer and defence. Children cannot do this. Neither can mental retardates. They should not be charged and prosecuted publicly any more than children should. They are not insane adults; they are retarded adults and they should be given the same legal protection as children. They should enjoy the legal privileges conferred under the Juvenile Delinquents Act, and I urge all hon. Members to give this matter their serious consideration.

Mr. Stanley Haidasz (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I welcome this opportunity to take part in the debate on Bill No. C-7 having to do with mentally retarded persons and the application to them of the Juvenile Delinquents Act. The bill introduced by the hon. Member for Hamilton South (Mr. Howe) proposes to include mentally retarded persons who have a mental age of under 16

years or under 18 years according to the discretion of the Governor in Council. The bill also proposes to extend the Act to include the concept of mental age in addition to the factor of chronological age.

In this matter, as in all other matters which involve the social and medical sciences, I think we should take into consideration the whole problem in the light of its historical and present development. The mentally retarded do present difficulties not only in our society endeavouring to obtain social justice for all but, in particular, when trying to apply the laws relating to criminal procedures and rehabilitation practices. While available statistics place the prevalence of clearly established retardation at 3 per cent of the population, a school age population survey showed that there were as high as 10 per cent who if not clinically mentally deficient are at least on the borderline and require special training in school. May I bring to the attention of the hon. Member a statement made by Dr. Henry Dunn, Professor of Pediatrics in the University of British Columbia, who said that this gigantic problem, numerically as well as socially, is the most important chronic disability of children in Canada today.

• (5:20 p.m.)

So far as our country is concerned, 3 per cent is the generally accepted estimate of those who are mentally retarded—that is persons who have an I.Q. or intelligence quotient below 75. This would mean that there are in Canada approximately 570,000 mentally retarded persons. This also presents us with the problem of a possible annual increase of 14,000. Statistically, these mentally retarded persons can be divided into three groups. First, there are the mildly retarded, those with intelligence quotients of 50 to 75, who are placed in the educatable class. Second, there are the mildly retarded, those with I.Q.'s of 29 to 49 who are considered trainable; and third, the severely retarded, those with I.Q.'s of 0 to 24 who are so severely handicapped that they usually spend the major part of their lives in institutions.

It is true that there are slightly different classifications of the mentally retarded, such as the ones set up by the World Health Organization, according to international statistical classifications and standards. Such minor discrepancies, however, and the different views on this subject by eminent psychiatrists, add to the difficulties in dealing with this subject.

Now, I draw to the attention of the hon. Member for Hamilton South (Mr. Howe) that his statement to the effect that science and technology enable us to define the mental age of a person in terms of equivalent chronological age, is rather an over-simplification. I could quote many references which would indicate, first, that mental retardation is not a singular medical or mental entity but is a multi-faceted phenomenon with many presumptive causes and a wide variety of manifestations. Second, the adequate classification of children or adults as mentally retarded persons cannot be simply accomplished by the routine application of standardized intelligence tests, but entails numerous other assessments and evaluations of a social, medical and psychological kind. Third, that notwithstanding the technical validity of measuring intelligence in terms of mental age, the assumption that an adult is like or can be treated like a child of comparable intelligence is, on various physiological and psychological grounds, untenable.

May I quote from Dr. Dunner Dybwad, Director Mental Retardation Project, International Union for Child Welfare, Geneva, Switzerland. He stated recently that as one reads about and sees in various countries the tremendous advances being made in the social and vocational habilitation of the adolescent and adult retardates, one notes the extent to which objective social conditions produce in some of these individuals problems which are clearly within the field of adult psychiatry, but for which most adult clinics are as yet not prepared to offer supporting and therapeutic services. He continued by saying that the great social and educational advances in mental retardation made during the past ten years in North America, in Europe, Australia and Japan, might well be summarized in the statement that we have conclusively disproven the old myth that the mentally retarded are "eternal children". As countries throughout the world are now mobilizing a major interdisciplinary and interagency attack on mental retardation, the contribution of psychiatry, along with pediatrics and other medical specialties and those of education, rehabilitation and social work, must be increasingly clarified and translated into functioning programs.

The purpose, Mr. Speaker, of the existing Juvenile Delinquency Act is primarily to assist delinquent children and adolescents with their social adjustments through the proper program of rehabilitation. This re-

habilitation depends a great deal upon guidance and efforts of mental health specialists as well as psychiatrists, psychologists, social workers and also on the joint efforts of educators and criminologists. Assistance to the parental homes, foster homes and the special programs in the reform institutions are included in such efforts. The basic assumption in this field is that the delinquent individuals are amenable to rehabilitation and all such efforts would eventually repay the community for the expenditure of money and professional resources. The mentally ill and mentally defective individuals usually require specialized care different from the typical management of juvenile delinquents. Mentally ill children and adolescents are cared for by psychiatric services on the outpatient basis or in a special institution. Similar programs are developing in Canada in highly specialized care of the mentally defective such as, for instance, at the London, Ontario, Institute for Studies in Mental Deficiencies. Mixing together the three groups of juvenile delinquents, namely mentally ill children, adolescents, and mentally defectives would obviously impair efficient functioning of any of such programs.

Other critics rightly charge that intelligence tests leave untouched many important aspects of personality like interests, motives, attitudes, or social adaptability. One must, however, recall that these tests do not pretend to measure personality. In fact, no one test ever has been devised, and perhaps never will be devised, that measures all aspects of personality. The best procedure, when a complete personality picture is desired, is to make a case study of an individual's background and experience, and to supplement it with a variety of tests, not only those measuring intelligence but also those measuring special aptitudes, achievements, interests, attitudes and other phases of personality.

Many persons were shocked when Terman announced that the average adult intelligence is equal to that of a 16 years old. Even more shocking was the fact that Army Alpha tests placed the level at 14 years. People forget that psychologists define intelligence as capacity to learn, adaptability and mental alertness. In the tests, knowledge, information and experience are kept at a minimum, though these factors are bound to affect performance.

Fortunately, the I.Q. fad which raged during the 1920's and saw the term applied indiscriminately has declined. Intelligence tests are seen today in wiser perspective. What they can tell and what they cannot tell about a person's capacities are well recognized. They do one thing, that is, indicate mental alertness and learning ability. They do not take into account personality, special aptitudes and achievements, social adjustments, or many other factors that make for success or failure in life.

• (5:30 p.m.)

Therefore, it is open to question whether the presently applied technique of measuring mental deficiency by comparing the development of the defectives to normal development of an average child, is a precise scientific procedure. In simple terms, we recognize the steps of gradual development of intelligence of a so-called average child and compare to such a scale the intelligence displayed by mentally defectives in the so-called intelligence tests. Such an achieved level we call therefore mental age. By that token, while the average child with the chronological age of 12 is expected to pass the intelligence tests for the mental age of 12, a defective individual may reach the same mental age level in the tests while his chronological age may be 14, 16 or 20, depending on the degree of his deficiency. The expression of intelligence in terms of intelligence quotient, or I.Q., is obtained simply by dividing mental age by chronological age, and multiplied by 100 for convenience. The use of I.Q. is a convenient way for comparing various degrees of mental deficiency. At the same time, Dr. Victor Szyrynski, Professor of Psychiatry at the University of Ottawa, reminds us that the amount of intelligence as measured by the intelligence tests remains basically unchanged throughout the lifetime of an individual. We may see practically that when for instance an individual demonstrates at the chronological age of 16 the mental age of 11, this mental age would remain more or less constant for the remaining years of his life, and when he is 30, 40 or 60, his mental age will still be that of an 11 year old individual. Should such an individual benefit indefinitely from provisions of Bill C-7? I see no logical reason for treating a 40, 60 or 80 year old individual accused of criminal offence in juvenile court because his mental age is below 16.

The paradox of this logic becomes even more obvious if we consider children with superior intelligence. Would a 12 year old child with an I.Q. of 150, which gives him a mental age of 18, be considered outside the jurisdiction of a juvenile court?

Although the above-described method of measuring intelligence has been of some practical value, it is well known that intelligence tests have serious limitations. Professor Wechsler, one of the most outstanding American authorities on intelligence measurement says:

> Most psychologists are aware of the fact that when an adult of 30 years scores a mental age of 12 and a child of 12 scores a mental age of 12 their intelligence is not identical; yet there does not seem to be any general understanding as to why they are not identical. If what we have said above is correct, the answer is not hard to find. The basic reason a mental age of 12 at 12 years does not mean the same things as mental age of 12 at 30 years is that the measured abilities, and hence the mental age scores, represent different portions of the subjects' respective total intelligence. At age 12, the tests are capable of tapping far more of the individual's capacities than at 30.

In a similar way, Professor Coleman in the recent edition of his book "Abnormal Psychology" published in 1964 states:

> There has been much criticism of the practice of making diagnosis and/or commitments on the basis of I.Q. alone. For one thing, it is extremely difficult in many cases to make an accurate assessment of intellectual level. This is particularly true in the case of brain-damaged children. Often these children possess genuine ability but have difficulty in making adequate responses because of spasticity, athetosis, defective hearing or vision or other impairments. Even more important, the criterion of adaptive behavior is not revealed in an I.Q.—particularly in the case of individuals with only mild or moderate retardation. Some people with I.Q.s in the low 50s or 60s can support themselves and get along creditably in the community. This is particularly true of those who have received the advantages of training in state or private schools. Consequently, even when an individual's I.Q. is as low as 50, he may or may not need custodial care, depending on the level of his emotional, vocational, and social adjustments. Certainly, when an individual's I.Q. is in the 60s and he is making an adequate adjustment in the community there seems little point in labelling him as a mental retardate.

The situation becomes even more complex when we remember that intelligence measurement depends very largely on co-operation of the subject. It is also well known to psychiatrists and psychologists that results of intelligence tests under emotional stress are not very reliable. Still more, the proper results depend on the motivation of the subject to do his very best during testing. Though it is practically impossible to fake a higher intelligence than one actually possesses, there is nothing easier than to meet the tests with an indifferent, negativistic or malingering attitude in order to provide onself with the low range of mental deficiency. When an individual in trouble with the law realizes that he could change the aspect of legal procedures by displaying a dull attitude on testing, there would hardly be any objective way to measure his intelligence without going through his school or clinical files where his intelligence may, or may not, be recorded.

Furthermore, judging intelligence from the general behaviour of the individual and from clinical observations is notoriously subject to gross errors. There are mental defectives with unusually appealing "intelligent" expressions on their faces while not infrequently dull and primitive looking individuals may be endowed with supernormal intellectual brightness.

While in some cases mental deficiency and delinquency appear together, the current views are contrary to linking them in a causative relationship. There is an interesting study in the field, an article by Mr. Shulman in the Journal of Criminal Law and Criminology, 1951. It can be found at page 763—

The Acting Speaker (Mr. Batten): Order. I must advise the hon. Member that his time has expired.

Mr. Haidasz: If I might have the indulgence of the House to continue for a few moments I would make one or two further points and then sit down.

The Acting Speaker (Mr. Batten): Does the House give unanimous consent?

Some hon. Members: Agreed.

Mr. Haidasz: May I add also that the psychological mechanisms operating in juvenile delinquency may be different from those which would bring mentally defectives in conflict with the law. This distinction is well demonstrated by Cyril Burt in his classical work "The Young Delinquent". On the other hand, in rehabilitation of the non-defective delinquents, we should take into account various psychodynamic situations not always applicable to the mentally defective population.

In conclusion I might emphasize that this rapid development of rehabilitation programs of juvenile deliquency merit all necessary attention. Still more, the preventive programs in the field of community mental health should be aimed at diminishing the occurence of delinquency.

• (5:40 p.m.)

Our mentally defective and mentally ill individuals merit all the necessary care and assistance which medical science makes available. Such efforts are in evidence throughout

Canada, and especially in the Province of Ontario where a special study is being made by Barry Swadron, a Toronto lawyer, who has been asked by the Minister of Health to conduct a two-year study of mental health and mental illness legislation in Canada.

Finally, may I add, Mr. Speaker, that Bill No. C-7 is premature and that further studies should be made in this field before we pass a bill such as this.

Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice): Mr. Speaker, the hon. Member for Hamilton South (Mr. Howe) has brought before the House a problem that is connected with that uneasy no man's land between the profession of law and the profession of medicine. Somebody remarked in the past that what was formerly a co-operative endeavour between the two professions has perhaps in recent years become almost a field of conflict. While the measure the hon. Member has put before the House today is perhaps not the best method of achieving the objective which he has in mind, I do not think anyone can question the soundness of his motives in bringing this particular matter before the House. He has indeed put his finger on an inadequacy in the law, an inadequacy in the sense that the mentally retarded person is not in the same situation medically as others, and even to a layman such as myself he is not in the same situation as those who are commonly treated as mentally incompetents under the Criminal Code. I think the changing attitude of our society and many other societies toward people of retarded mentality may in large measure be due to the very earnest efforts of retarded children's organizations over the past ten or more years, which have done their best to bring about in our society a better understanding of the problem of mental retardation. The efforts of these particular groups are not by any means spent, nor have they ceased to be necessary. They have at least achieved a certain success down the road to the ultimate objective whereby the person of mental retardation, and more particularly the mentally retarded child, will no longer be the object of derision, shame or even in some cases, fear, in our society. They have brought to society a recognition of the problem of mental retardation. They have brought this problem into the daylight and have created a concern generally that it should be recognized and dealt with out in the open. By way of aside, perhaps, I may say that no other family and no other group of individuals can take greater credit for this than the Kennedy family, whose interest in the problem arose from their own experience.

The difficulties of a person with retarded mental faculties are probably no more acute than when he is faced with the law of the land, and more particularly the criminal law; for the law has created a set of standards and procedures which it is assumed an adult person of average intelligence can comprehend in substance and can govern himself accordingly; that is, can comprehend in substance if not in technical detail. However, in the case of a person with retarded mentality, that assumption cannot be made. Problems of procedure, of treatment of the crime, of custody and of ultimate responsibility arise; problems which I may say are analogous to but are not identical with those which arise in dealing with children before the courts. I say they are analogous but not identical, Mr. Speaker, because the fully-grown, chronologically aged person is obviously different from a person of tender years, as has been so well pointed out by my hon. friend and colleague the Parliamentary Secretary to the Secretary of State for External Affairs (Mr. Haidasz).

The Juvenile Delinquents Act, which is the measure the hon. Member proposes to amend, was conceived entirely in the context of those of tender years. As the Parliamentary Secretary has already pointed out, it has created a series of measures and a regime of law which, while appropriate to younger persons is, in my submission, inappropriate to the problems, of adults of retarded mentality. I think perhaps the best way to illustrate the problems which I see arising from the shortcomings of the proposed measure would be to make reference to the actual terms of the Act. First there is the question of definitions. Section 2(1)(a) says:

> "child" means any boy or girl apparently or actually under the age of 16 years, or such other age as may be directed in any province pursuant to subsection (2);

Subsection (2) of the same section authorizes the Governor in Council by proclamation to—

> —direct that in any province the expression "child" in this Act means any boy or girl apparently or actually under the age of 18 years—

In fact in five provinces in Canada the age for the purposes of this Statute is as follows: In Saskatchewan, Ontario, New Brunswick, Nova Scotia and Prince Edward Island the age has been established to be 16. In the Provinces of British Columbia, Manitoba and Quebec a proclamation has been made under

the Statute establishing the age limit at 18. In the Province of Alberta the age limit has been established at the level of 18 for girls and 16 for boys. In the Province of Newfoundland the provincial laws, so I am advised, under the Terms of Union still continue to govern the situation and have set the age at 17, the Juvenile Delinquents Act not having been proclaimed in respect of that Province.

The Statute, therefore, is very obviously intended for those of tender years. I would agree with the hon. Member for Parkdale who has pointed out that, for example, the intelligence test used to determine the mental age of children can be very deceptive and is obviously dependant upon a great many complicated factors. The choice of a chronological age is no more accurate or scientific than the choice of age by means of an intelligence test, but the choice of the chronological age does indicate the difficulties which legislatures have had in the past in providing a criterion and a dividing point which those responsible for the administration of the law may readily apply with some certainty of administering justice. Section 4 of the Statute provides:

> Save as provided in section 9, the Juvenile Court has exclusive jurisdiction in cases of delinquency including cases where, after the committing of the delinquency, the child has passed the age limit—

—to which I have already referred. This means that the ordinary courts of the land, depending upon the nature of the offence—the Magistrate's Court, the County Court, for example, in the Province of Ontario, or the High Court of Justice—do not have the jurisdiction at all over someone fitting within the criteria of the Statute. That jurisdiction has been removed altogether and has been put into the Juvenile Courts. The effect of these provisions and the difficulty of their application may be further illustrated by referring to section 8(1) which provides as follows:

> When any child is arrested, with or without a warrant, such child shall, instead of being taken before a justice, be taken before the Juvenile Court; and, if a child is taken before a justice, upon a summons or under a warrant or for any other reason, it is the duty of the justice to transfer the case to the Juvenile Court, and of the officer having the child in charge to take the child before that Court, and in any such case the Juvenile Court shall hear and dispose of the case in the same manner as if such child had been brought before it upon information originally laid therein.

What is clear, therefore, is that there is an absolute obligation on the police and the prosecuting authorities to determine the age of the child with reference to this particular Statute, and when the determination is made in the particular Province, whether it be 16, 17 or 18, if the child is below that age there is an obligation upon the authorities to bring the child before the Juvenile Court. As a matter of law, any proceedings taken in the ordinary criminal courts in relation to such child would therefore be null and void.

Therefore there is an obvious importance initially in the fact that the police and the prosecuting authorities should be able to make the determination as to whether or not a child comes within the Statute.

• (5:50 p.m.)

There is also an obvious initial difficulty for an arresting officer in the case proposed by the hon. Member for Hamilton South (Mr. Howe), for what he is requiring the policeman or Crown Prosecutor to do is to make a determination as a layman of a very difficult technical question, a question on which in the case of a particular issue qualified medical practitioners may differ.

As the Parliamentary Secretary has already pointed out, there is no final and obvious criterion for deciding this question of mental age. He also pointed out that he would take issue with the suggestion made in the explanatory note that this is readily determinable. If there is difficulty in determining this question for qualified medical practitioners, then I suggest the difficulty is even greater when the initial determination is made by an arresting officer. Therefore the bill places on the police and the prosecuting authorities the obligation of making a scientific judgment.

The difficulty of such a judgment in relation to matters of law is illustrated, I think, by a passage I would like to refer the House to in a monograph called "Psychiatry and the Law", by Manfred S. Guttmacher, Chief Medical Officer of the Supreme Bench of Baltimore, and Henry Weihofen, Professor of Law at the University of New Mexico. I refer to chapter 8 of this book which deals with congenital intellectual deficiency, which is the definition with which the learned authors choose to describe the situation which I believe the hon. Member has in mind. At page 171 they say:

> The fact that we have instruments for the measurement of intelligence has created the false impression that we now know what it is we are measuring and that we can measure it exactly. Even some workers in the psychological sciences fall into this error. The medical author some years ago observed an extreme example of this when he was guest lecturer in a college course on abnormal psychology. The professor in charge of the course advised the students not to be content with the

usual method of computing the I.Q., but to be more exact and make use of decimals!

It is highly desirable that lawyers and judges have a functional and realistic view of intelligence. In deciding whether a person with defective intelligence has sufficient capacity to appreciate the wrongfulness of his act, it is necessary to take into consideration whether the act is perpetrating a fraud or committing a murder. Doubtless many persons with somewhat defective intelligence are incapable of appreciating some of the intricacies of the law of fraud, and yet are fully aware of the enormity of homicide.

In the same work at page 174 the following is found:

Most of the intellectually defective individuals do not have marked physical abnormalities. Many of them have a wholly normal physical appearance. The people who pride themselves on their ability to judge intelligence and character by appearances had better not put their judgment to objective scientific test or they will be greatly disappointed. But many rely heavily on physical appearance in reaching their conclusions.

From the particular text to which I have referred, Mr. Speaker, and from the remarks made by the hon. Member for Parkdale (Mr. Haidasz), it is obvious that the kind of criteria which are necessary for the police authorities and the courts to make this initial determination on these questions are just not present in the case of mental age. One of the shortcomings of this particular proposed piece of legislation is that it provides no standard or basis upon which mental age is to be determined. It provides no procedure whereby initially the opinion of qualified medical practitioners is to be taken to determine whether or not the court has jurisdiction and that the proper proceedings have been taken. Indeed, by treating the person of advanced years but of retarded mentality in the same way as juvenile delinquents without providing the appropriate administration to deal with such a person would only risk upsetting the arrangements which have been made, perhaps not altogether satisfactorily but with some success, with regard to juvenile delinquents.

This may be illustrated by making reference to the Statute itself. There is the fact that under the Juvenile Delinquents Act a delinquent is not to be detained in normal circumstances with other adult persons but is to be kept with persons of tender years. In applying the Juvenile Delinquents Act to the case of a person of advanced years but who is mentally retarded, it has already been pointed out that a grown man is not to be treated in the same way as a small child, because he is not the same type of person. Similarly section 23 of the Statute refers to the responsibilities of the Children's Aid Society and particularly to foster homes into whose custody and under whose control the objects of the Juvenile Delinquents Act are to be kept before and after they attend their trial. I think all hon. Members will agree that it is obviously inappropriate to put under the care of the Children's Aid Society, when dealing with what is a distinct medical problem, the social and practical problem of a grown person who is mentally retarded.

The substance of my objections, therefore, would be that, agreeing as I do with the ultimate objectives of the hon. Member in introducing the measure, agreeing as I do that someone who is shown to be mentally retarded should not be treated in the same way under our law as someone who is entirely mentally defective, I do not feel it is appropriate to treat this type of mentally retarded person under the provisions of the Juvenile Delinquents Act. That statute was, as I have indicated, prepared with a distinct factual situation in mind. It was prepared with organizations such as juvenile institutions, Children's Aid Societies, foster homes and probation officers in mind. It would be altogether inappropriate to add to the provisions of that measure responsibility for dealing with what is an entirely different practical and medical problem, that of the person of advanced years who is mentally retarded.

I believe it is six o'clock, Mr. Speaker.

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

BUSINESS OF THE HOUSE

Mr. MacNaught: Mr. Speaker, on Monday the House will be asked to consider the third reading of the Bill to amend the Fisheries Improvement Loans Act; the resolution respecting the Indian Claims Commission; the resolution authorizing the Canadian National Railways to construct a line of railway near Sarnia; item No. 37 on today's order paper, second reading of Bill No. C-119, an Act to amend the Customs Act; and second reading of the Customs Tariff Act. The House will also be asked to consider items 18 and 17 on today's order paper, namely the resolution to amend the Research Council Act and the resolution to establish a Science Council of Canada.

I should also announce that on Tuesday the House will be asked to consider item No.

36 on today's order paper, the Act to amend the Income Tax Act and the Federal-Provincial Fiscal Arrangements Act.

Mr. Churchill: May I just ask one question. Is the Minister not now adding items to the list the Prime Minister gave us? It seems to me he has added three to the list the Prime Minister gave us just the other day.

Mr. MacNaught: No, Mr. Speaker, I am not aware of that. I think these were included in the Prime Minister's list.

Mr. Winch: Mr. Speaker, in view of the change from a Supply motion on Monday, may I ask whether the Minister can announce what consideration is now being given, as a matter of Government policy, to how the House of Commons will discuss the matter of the constitutional change requested by Quebec, in view of the fact that the Acting Prime Minister said this matter would be brought before the House of Commons before anything is sent to Her Majesty the Queen.

• (6:00 p.m.)

Mr. MacNaught: Mr. Speaker, I feel reasonably sure that there will be a Supply motion before the House rises for a summer recess.

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

[The following item was passed in committee of supply this day:]

DEPARTMENT OF LABOUR

8a. Payments in accordance with terms and conditions approved by the Governor in Council under the Winter House Building Incentive Program during the fiscal years 1964-65 and 1965-66 of $500 per dwelling unit substantially built during the period November 15, 1964 to March 31, 1965—To extend to April 15, 1965 the termination date of the period referred to in Labour Vote 8b of the Appropriation Act No. 10, 1964; to authorize payments in the current fiscal year of undischarged commitments under Labour Vote 34d of the Appropriation Act No. 5, 1963; and to supplement the said Vote 8b, $2,000,000.

HOUSE OF COMMONS

Monday, June 21, 1965

The House met at 2.30 p.m.

UNITED NATIONS

ANNOUNCEMENT OF VOLUNTARY CONTRIBUTIONS TO OVERCOME FINANCIAL DIFFICULTIES

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, Members of the House will be aware that in spite of the efforts of the United Nations special committee on peace keeping operations, no agreement has been reached at the United Nations on methods to discharge the accumulated financial obligations occasioned by the refusal of some member states to pay their assessments for the United Nations Emergency Force and the United Nations operation in the Congo. The total debt is something over $100 million.

In the hope that by constructive action the present deadlock might be broken, a number of governments are today announcing pledges of voluntary and unconditional contributions to help the United Nations out of its present financial difficulties, and they have so informed the Secretary General of the United Nations. The Canadian Government has participated in the consultations which led to this action, and I now wish to associate Canada with it. The Government has decided, subject to approval by Parliament, to make a similar pledge in the amount of $4 million. I have instructed our permanent representative to the United Nations to convey this decision to the Secretary General, and he will be doing so at 3.30 this afternoon. I also hope to see the Secretary General later today or tomorrow to discuss this and other matters.

The Canadian Government's pledge is made without prejudice to our support for the policy of collective financial responsibility for duly authorized peace keeping operations. Our understanding is that this pledge will form part of any formal agreement for contributions to relieve the organization's indebtedness if and when such agreement is reached. I do not exclude the possibility that at a later stage it may become necessary for us to supplement this pledge.

I should like to make it clear that in coming to this decision the governments associated with this initiative have not underestimated the serious differences which have thus far defied solution. But we believe that rather than let the United Nations founder on this issue of principle, the time has come for as many states as possible to make a joint effort to restore the solvency of the United Nations, to create conditions which will make it possible for the assembly to meet normally next September, and to preserve the capacity of the United Nations to continue to perform its essential functioning in the maintenance of international peace and security.

The group of member states which have joined in this initiative today have traditionally been in the forefront of those which have come to the aid of the United Nations in times of stress. Obviously we cannot, of ourselves, solve the problem. But we can give a lead, and this we have done in the hope and expectation that the action of these nations will persuade others to follow suit so that the United Nations will be restored to solvency by the time the next general assembly reconvenes in September.

Some hon. Members: Hear, hear.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, it is indeed a regrettable development in international affairs that the United Nations continues to find itself in trouble because of financial obligations which are not being met by some members of that organization. I think everybody concerned with the maintenance of peace—and that comprises most of the people of the world—will view with some alarm the fact that this problem remains unresolved.

We are not unmindful of the circumstances that befell the League of Nations in those days when some of the prominent nations of the world did not play their full part in that organization. The step that is now proposed by the Minister of External Affairs will give a breathing spell to the United Nations over the next three months, and perhaps reason will prevail among those nations which have failed to live up to their obligations.

I regret that the Minister did not give us the names of the nations that are to set this example, in addition to indicating what Canada's contribution would be, because I think

it is important that we know what other nations are of the same mind. I take it that Canada's contribution will be in addition to what she is already doing in respect of peace keeping operations abroad.

Mr. Martin (Essex East): If I may point out, and I should have given this indication, this pledge is in addition to our present commitments. It represents a contribution which is related to the assessment that annually would be met by Canada and, likewise, by other countries which have joined in this initiative.

Mr. Churchill: Perhaps the Minister will give us the names of the other countries. As I understand it, Canada is already playing more than its full part in the peace keeping operations in Cyprus with no financial assistance from other sources. This contribution on the part of Canada is commendable, and I think it will meet with the support of all parties within this House and in general of the Canadian people. The last thing we want to see is the failure of the United Nations.

Some hon. Members: Hear, hear.

Mr. Churchill: It will soon be a generation since the United Nations was started, and it has played a great part over the intervening years in restricting aggression. The obvious difficulties facing the nations of the world are very clear. There are more sensitive areas and trouble spots in the world than there have been for some time, and it is our hope that this continued assistance by Canada will be matched by similar assistance by other nations so that we may maintain the one force in the world, the United Nations, which gives some hope to mankind of peace and security.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, we in this party welcome very warmly indeed the announcement that has been made by the Acting Prime Minister. It is very good news that the Assembly of the United Nations may now be enabled to function at its next session in the normal manner. We do not believe the people of Canada will begrudge at all the $4 million that is to be spent. It is one of the best investments we could possibly make; and although it is true, as the Secretary of State for External Affairs has pointed out, that this is only a temporary solution, a temporary solution is vital to the interests of the world as a whole.

It is really ironic that in the year that was set aside as international co-operation year the United Nations assembly ground to a halt and was unable to carry on its vitally required work in this unstable world.

I think statements at this time should be brief, Mr. Speaker, and I will say no more except to repeat that we most heartily and enthusiastically welcome the announcement that has been made.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I am sure every Member shares the concern of the Government over the crisis that has been facing the United Nations throughout these past months. The announcement that has been made is, of course, one to which we give our complete support at this time.

I think there are two questions that arise in our minds in considering this issue. The first is that we are inclined to question the sincerity of those nations which are failing to measure up to their responsibilities in regard to the United Nations peace keeping operations. The other question is just how long the United Nations can continue to function and be sustained in this fashion. There is no doubt that the time will come, perhaps very soon, when definite decisions will have to be made and positive steps taken to assure the United Nations of adequate support in carrying out its responsibilities.

As has been pointed out, Mr. Speaker, Canada is already carrying a very heavy responsibility with regard to peace keeping operations, recognizing that this is the one area in which we can make our greatest contribution. Reference has been made to the fact that Canada is already paying the full cost of maintaining its contingent in Cyprus as well as fulfilling its responsibilities in other fields.

As I have said, while we support every effort to maintain peace and security in the world and are prepared to make an adequate contribution for that purpose, we trust the time will come very soon when those other nations which have precipitated this situation will recognize and accept their responsibilities as well.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I was a little surprised to hear the Acting Prime Minister (Mr. Martin) tell us that the United Nations Organization is now burdened with a $100 million deficit in its operations and administration. And that in spite of our independent contribution in the case of Cyprus, where Canada should normally have spent $1.5 million instead of al-

most $6 million. In the case of the Congo the situation is practically the same.

And now the minister informs us that Canada has agreed to contribute another $4 million to the United Nations Organization because it is on the verge of bankruptcy.

We have no objection, far from it, to helping in maintaining peace in the world, in assisting the United Nations Organization. But we object when the Canadian authorities fail to protest strongly and categorically when a country like Russia refuses to pay its contribution to the United Nations Organization although it benefits from it possibly more than any other country in the world. I say the government has a moral obligation to all Canadian citizens who will be called upon to disburse an additional $4 million. It is therefore the government's duty to lodge a direct complaint against those countries which did not fulfil their obligations toward the United Nations Organization.

Mr. Speaker, if there were more willingness to assist those Canadian organizations who experience financial difficulties, we should be much more eager to accept the Acting Prime Minister's announcement. However, we are willing to keep contributing to the United Nations. On the other hand, we would urge the Secretary of State for External Affairs, the cabinet and the parliament to advise Russia and the other countries refusing to face up to their obligations to live up to them or withdraw from the United Nations.

[*English*]

[*Later:*]

On the orders of the day:

Mr. George Muir (Lisgar): In his earlier statement to the House with regard to the financing of United Nations operations, the Acting Prime Minister did not make available to the House the names of those nations which, along with Canada, have indicated they are prepared to assume the extra financial responsibility in order to assure the continued operation of the United Nations Assembly. Will the Acting Prime Minister now give the House those names?

Hon. Paul Martin (Acting Prime Minister): Yes, Mr. Speaker. Great Britain, Denmark, Sweden, Iceland and Norway have joined with Canada in this support, and it is expected that New Zealand and Finland will announce contributions within the next day or so. I hope this will begin a chain reaction that will have a good effect on all those who are in default in payments pursuant to the advisory opinion of the International Court of Justice.

Mr. Muir (Lisgar): May I ask a supplementary question. Will the Acting Prime Minister give us some indication of the amount of money it is expected will be raised under these circumstances?

Mr. Martin (Essex East): Yes, Mr. Speaker, I could. Great Britain has agreed to contribute $10 million; Denmark, $1 million; Sweden, $2 million; Iceland, $80,000; Norway, $720,000, and I would hope that New Zealand and Finland will be announcing contributions of perhaps $500,000 each. The Canadian contribution, as I said before, is $4 million.

ADMINISTRATION OF JUSTICE

DORION COMMISSION—ALLEGED LEAK OF CONTENTS OF REPORT

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, a number of stories have appeared in newspapers over the week end with respect to an alleged leak of the report of the Dorion inquiry. I wish to emphasize, as the Prime Minister said in London, that the Government is in no position to know whether there has been a leak since no member of the Government is aware of the contents of the report.

When these newspaper stories appeared I thought it my duty to get in touch with Chief Justice Dorion, who has full and sole responsibility for the preparation of the report and its transmission to the Government. I instructed the Privy Council office, which is responsible for liaison with Chief Justice Dorion, to get in touch with him yesterday. Mr. Chief Justice Dorion said he wished to reflect about this whole matter, and that he would call me on Monday.

This morning I received a telephone call from the Chief Justice, who has authorized me to inform the House of the following statement which he has given to the press. Since he read it to me in French I would prefer to use the text as given to me by the Chief Justice.

[*Translation*]

I was extremely surprised to learn that Southam News Services took the liberty of publishing what purports to be parts of my report. For the completion of this report, I had of course to rely on the co-operation of some federal civil servants. When I left Ottawa on June 10, I had completed the writing of the report. I then asked Mr. André Desjardins, a lawyer with the Commission, to look after the final draft, the translation and the printing of the report. Mr. Desjardins had three copies

made, one for himself and the two others to be handed over, by sections, to the translators under Mr. M. H. Mayer whom I had met before leaving Ottawa and in whom I have full and complete confidence.

According to the press report, this news agency allegedly obtained its information from a source which is, according to the agency, usually reliable in such matters. If such is the case, I do not believe it should be too difficult to identify that source. The federal government certainly has the means to conduct the investigations required in order to exercise whatever recourse is necessary.

[*English*]

That is the end of the statement as given to me by the Chief Justice. In our conversation the Chief Justice emphasized what is apparent in the statement I have just quoted. He is not expressing any opinion on whether or not there has been a leak. None of us can have even a preliminary view on this until we know what is in the report.

Nevertheless, given the reports which appeared in the papers I also asked Chief Justice Dorion whether he would undertake an investigation with respect to the security of the arrangements for preparing the report. The Chief Justice did not wish to do so, and expressed the view that any formal inquiry would be inappropriate, at this stage at least.

We agreed, however, that a preliminary examination of the facts relating to the security of the arrangements could be undertaken. I have accordingly asked the R.C.M. Police to carry out a preliminary investigation of this kind in close co-operation with Chief Justice Dorion.

Because of the speculation which now surrounds this report, the Prime Minister has indicated that in his view it should be transmitted to the Government at the earliest possible date. I conveyed this view to Chief Justice Dorion today. He informed me the work is already being done on the tightest practicable schedule, and he doubts whether it would be possible to have the report available for transmission to the Government before the end of the week.

I can, of course, assure the House that as soon as the report is received by the Government it will be tabled in Parliament.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, once again we are faced with some odd things going on within Government circles, and we are not altogether surprised because there seems to be a lack of supervision exercised by the Government.

I wonder whether the Acting Prime Minister is right in saying that the sole responsibility rested on the Chief Justice. It appears to me that the Chief Justice got assistance—surely it would be from the Department of Justice—with regard to arranging for the translation and things of that nature. In view of that, shouldn't the Government accept some responsibility in this regard? The judicial inquiry was authorized by the Government. It should not attempt once again to shift responsibility.

[Mr. Martin (Essex East).]

However, I understand from the Acting Prime Minister that steps are being taken to see what can be done, perhaps rather belatedly, and I am very much interested to learn that the report will be made available to the Government by the end of the week, as I think he said—

Mr. Martin (Essex East): Not before the end of the week.

Mr. Churchill: —and will be immediately tabled in the House and made public property. I hope the Government will not sit on this report over a considerable time as it has sometimes done with other matters of importance, but will immediately make it available so there will be no further leaks or speculative information brought out with regard to what may be contained in the report. I think once again this shows a lack of direction and control on the part of the Government.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, if the speculative reports which have appeared regarding the contents of the Dorion report are accurate—and we will not know that until we see the actual report—then certainly there seems to be an indication of a violation of confidence on someone's part.

I think this is a very serious matter. The fact that the Chief Justice himself is disturbed by these speculative stories would seem to indicate that the stories which have appeared do not differ too greatly from the contents of the report.

I think the Government ought to be much more exercised than it appears to be about the report of the Chief Justice having been seen, in whole or in part, by persons other than those who are authorized to have access to it. I trust that we are going to have more than merely a routine check by the R.C.M. Police. The Government may have gone as far as it can at the present moment until we see the actual report; but if the report coincides with the speculative stories which have appeared, then it will be quite apparent that these speculative stories were based on information given to the press by some persons in positions of responsibility and authority, and that ought to be investigated.

Mr. Martin (Essex East): Hear, hear.

Mr. Douglas: The report ought to be brought down, tabled in the House and made public at the very earliest possible date in order to prevent further speculation. The Acting Prime Minister says it will be available by not later than the end of the week—

Mr. Martin (Essex East): Mr. Speaker, I said not before the end of the week.

Mr. Douglas: —not before the end of the week. I trust that it will be tabled as soon as the Government receives it. Our party will want—I hope it is given in the question period today—some assurance from the Acting Prime Minister that before this House adjourns there will be ample opportunity to discuss the contents of that report, and to hear from the Government what action they propose to take in the light of the findings of the Chief Justice.

Some hon. Members: Oh, oh.

Mr. Bell: Everybody over there has seen it, anyway.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, we too were very disturbed by the so-called leaks of the Dorion Commission report, and we are pleased to see that the Prime Minister, in his message to Chief Justice Dorion from London, and the Acting Prime Minister are taking what they think is appropriate action to first of all investigate whether or not there have been any leaks and, following that, to bring it before Parliament as quickly as possible.

We know very well that there are some delaying problems, if you want to call them that, or at least delaying requirements because of the translation and printing that is necessary for all these Royal Commission reports. But it seems to me that in the circumstances which now surround this whole matter, the Federal Government could obtain the original manuscript, whether it is in English or French, if it is being translated. Certainly they could get hold of it to ascertain whether or not the press speculation is in accordance with the findings and recommendations of the Chief Justice.

It seems to me this would be an appropriate thing to do because of what happened last Friday. The report may not be printed in both languages, and certainly it may be the end of this week or later before it is available in sufficient quantities to be distributed to all Members of this House, but it seems to me it would materially assist the R.C.M.P. in their investigation if they knew what was in the report so they could make comparisons with the press speculations to ascertain whether there is a great deal of similarity. If there is, I do not think it would be wrong for the Government to ask now, today, for the manuscript of Chief Justice Dorion's report so the R.C.M.P. would be assisted in finding the leak and taking the necessary steps to see there is not a recurrence of this kind of thing.

The Chief Justice stated in his conversation with the Acting Prime Minister that a number of Federal civil servants or employees were involved in the translation and preparation for printing of the report. That in itself transfers at least some of the onus and responsibility to the Government to make this investigation as soon as possible. I hope the Acting Prime Minister will bring this report before the House just as quickly as possible, and as far as we are concerned, even if there is not a complete printing in both languages we think it would be useful, under the circumstances, to have this matter ascertained and determined as quickly as possible, even if it must be done from the manuscript.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, we were not surprised to hear the other day on television that leaks had occurred concerning the findings of the Dorion commission on scandals alleged to have taken place in Canada.

There must have been a leak also about what the Acting Prime Minister (Mr. Martin) just told us, because we heard exactly the same thing on television last night, and this in spite of the fact that the Acting Prime Minister told us that no press release was to be issued before this morning.

Mr. Speaker, if some civil servants talked a little too much and certain steps are taken against them, I am all for it. But there is one thing we must not forget and we heard something about it last week from the official opposition. I am speaking of the freedom of the press in Canada. Indeed, Southam News Service could very well have sent a delegate or a reporter to meet a civil servant last Friday or Saturday. There is not a single member here who is not aware of the way we are sometimes tortured by reporters who try to know about things before they are announced and to pass judgment on them.

Before we know exactly what happened, if the report published by Southam News Service Saturday and yesterday is true, it

is obvious that there have been leaks on the part of some civil servants while reporters of the Southam News Service were present.

However, we must take care not to blame anyone who may have been cornered in a friendly way and who may have said: "Well, I read such and such a thing in the Dorion report which was submitted to us for translation".

I submit that had the Southam News Service been responsible, it would have respected Chief Justice Dorion's request that no information be released before the government had been duly informed. This is how a self-respecting news agency would have acted. However, any advance release concerning the contents of the report constitutes an abuse of what we call in Canada the freedom of the press.

[*English*]

FOOD AND DRUGS

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Mr. H. C. Harley (Halton) moved that the first report of the Special Committee on Food and Drugs, presented to the House on Monday, June 14, be now concurred in.

Motion agreed to.

CHILDREN OF WAR DEAD (EDUCATION ASSISTANCE) ACT

AMENDMENTS TO INCREASE MONTHLY ALLOWANCES

Hon. Léo Cadieux (for the Minister of Veterans Affairs) moved that the House go into committee at the next sitting to consider the following resolution, which has been recommended to the House by His Excellency:

That it is expedient to introduce a measure to amend the Children of War Dead (Education Assistance) Act to provide for an increase from twenty-five dollars to thirty-four dollars in the amount of the monthly allowance that may be paid to a student, and to provide that, whenever the annual rate of pension payable to an orphan child under the Pension Act is changed, there will be a corresponding change in the additional amount that may be paid to a student after he has attained the age of twenty-one years.

Motion agreed to.

ARMY BENEVOLENT FUND ACT

AMENDMENT INCREASING INTEREST PAYABLE ON MINIMUM BALANCE

Hon. Leo Cadieux (for the Minister of Veterans Affairs) 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:

[Mr. Caouette.]

That it is expedient to introduce a measure to amend the Army Benevolent Fund Act to increase the rate of interest payable on the minimum balance to the credit of the Fund in each month at the rate of four and three-quarters per cent per annum for a period of five years from the coming into force of this measure, and thereafter for each successive period of five years, at such rate as may be prescribed by the Governor in Council in the year preceding the first year of each such period as the effective interest rate on long term Government of Canada Bonds for the purposes of this measure.

Motion agreed to.

JUDGES ACT

AMENDMENTS TO PROVIDE FOR ADDITIONAL JUDGES

Hon. Guy Favreau (Minister of Justice) moved that the House go into committee at the next sitting to consider the following resolution, which has been recommended to the House by His Excellency:

That it is expedient to introduce a measure to amend the Judges Act to provide salaries for two additional judges of the Supreme Court of Ontario, one additional judge of the Supreme Court of New Brunswick and one additional judge of the County Court of Ontario.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

DONAT ST. AMOUR & FILS LTÉE.

Question No. 54—**Mr. Douglas:**

1. Did the firm of Donat St. Amour & Fils Ltée. of Masson, Quebec, go into bankruptcy?
2. Who were the officers and/or directors of this company?
3. Is the firm of J. M. R. Enterprises, Masson, Quebec, registered with the Companies and Corporation Branch of the Department of the Secretary of State?
4. If so, who are the officers and/or directors of this company?
5. Has the Department of Justice or any other government department received any representations concerning the bankruptcy of Donat St. Amour & Fils, Ltée. of Masson, Quebec?
6. If so, who submitted these representations and what were the nature of such representations?
7. What replies were given to such representations?

Hon. Maurice Lamontagne (Secretary of State): I am informed by the Solicitor General and my Department as follows:

1. A receiving order was granted against the firm of Donat St. Amour & Fils Ltée. of Masson, Quebec on July 26, 1963.

2. The officers and/or directors of this company were as follows: Donat St. Amour, Raymond St. Amour and Mrs. Donat St. Amour.

3. No.

4. Not applicable.

5. The Department of Justice has received representations concerning the bankruptcy of Donat St. Amour & Fils Ltée. of Masson, Quebec.

6. These representations were in the form of a letter dated February 18, 1965 from George H. Tremblay of G. T. Electric Service Reg'd addressed to the Minister of Justice, enclosing copy of a letter of the said G. H. Tremblay dated February 17, 1965 to Mr. Claude Wagner, the Minister of Justice of the Province of Quebec. In respect of the nature of these representations, I have to advise that it is not the practice of disclosing it because such disclosure might do injustice to those concerned and that it would be against the public interest to do so.

7. Mr. George H. Tremblay was informed that inquiries would be made to the trustee and this was done.

FEDERAL WORKS, DORCHESTER COUNTY, QUE.

Question No. 147—**Mr. Boutin:**

What works were carried out by the federal government in the county of Dorchester during the years 1960-61-62-63-64, and (a) where were such works carried out (b) what amounts were spent by the federal government on such works?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): It is not feasible to provide aggregate information on expenditure disbursements or revenue collections for constituencies, counties or other comparable units. Government estimates are not prepared on this basis nor are records of expenditures kept in this way.

Information concerning expenditures could be supplied about specific projects or programs which are identified in a question. These, of course, would in some cases relate to a particular constituency or locality.

DISMISSAL OF MAIL CARRIER, GLACE BAY, N.S.

Question No. 374—**Mr. Fisher:**

1. Was any investigation ever held at the Glace Bay Post Office into the circumstances which led to the dismissal of a mail carrier, Francis G. MacKenzie; if so, when and what were the results?

2. Were charges ever laid under the Criminal Code against Mr. MacKenzie and, if so, were they proceeded with or withdrawn?

3. What representations, from what persons, did the Post Office Department receive asking for the reinstatement of Mr. MacKenzie?

4. In brief, what were the reasons given for Mr. MacKenzie's dismissal?

Hon. René Tremblay (Postmaster General): 1. An investigation was held in 1963 but it did not result in the dismissal of Francis G. MacKenzie.

2. Yes, the charges were withdrawn by the local Crown Attorney after the preliminary hearing.

3. Representations asking for the reinstatement of Mr. MacKenzie were received from the following: Mr. Donald MacInnis, M.P.; Rev. Sister M. Alexandria; Miss Camilla Sutherland; Dr. Guy Marcoux, M.P.; Mr. William Talbot.

4. Mr. MacKenzie has not been dismissed.

APPEARANCE OF MINISTERS IN NEW YORK COURT

Question No. 477—**Mr. Coates:**

1. Have the Secretary of State, Hon. Maurice Lamontagne and the Postmaster General, Hon. René Tremblay, been requested to appear for either the prosecution or the defence as witnesses in the Bernard Gittelson parking meter perjury trial?

2. Is it the intention of the government to ask the House to authorize these two Ministers to proceed to New York to appear in this case if such a request has been received, or is received, in this regard?

Hon. Maurice Lamontagne (Secretary of State): 1. No.

2. No.

EXPORT OF HORSES FOR SLAUGHTER

Question No. 484—**Mr. Mather:**

Have representations been received from the Society for the Prevention of Cruelty to Animals urging legislation to prohibit the export from Canada of horses for slaughter and, if so, is consideration being given to this request?

Hon. Maurice Lamontagne (Secretary of State): No.

TENDERS FOR NATURE CENTRE, POINT PELEE NATIONAL PARK

Question No. 523—**Mr. Loney:**

1. What are the names and addresses of the tenderers, "Tender for construction of a nature centre, Point Pelee National Park, Leamington, Ontario"?

2. What was the price quoted by each tenderer?

3. Was the lowest tender accepted and, if not, for what reason?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1. (a) T. Zanette Construction Limited, 2630 Curry Avenue, Windsor, Ontario. (b) Scofan Con-

Questions

tractors Limited, 2867 Turner Road, Windsor, Ontario. (c) W. J. C. Kaufmann Company, 1130 Crawford Avenue, Windsor, Ontario.

2. (a) T. Zanette Construction Limited, $208,300; (b) Scofan Contractors Limited, $217,950; (c) W. J. C. Kaufmann Company, $203,000.

3. No tender has yet been accepted. When a decision is reached, the announcement will be made in the usual way.

FEED GRAIN, MARITIME PROVINCES

Question No. 534—**Mr. MacLean (Queens):**

1. What is the estimated amount of feed grain grown in each of the Maritime Provinces, in each of five representative years, over the last twenty-five years?

2. What amounts were paid out in each of these five representative years under the Feed Grain Assistance Act, or by other authority to subsidize the shipment of feed grain to each of the Maritime Provinces?

3. What is the estimated acreage under cultivation, including pasture, in each of the Maritime Provinces for these same representative years?

Hon. Maurice Sauvé (Minister of Forestry):

1.

Maritime Provinces—Estimated Acreage under Cultivation[1, 2]

	Prince Edward Island (acres)	Nova Scotia (acres)	New Brunswick (acres)
1941	737,400	812,403	1,235,431
1951	645,795	661,975	1,006,377
1956	645,492	629,874	951,291
1961	579,558	479,521	734,107

[1] Census of Canada, improved land which consists of the area under crops, improved pasture, summer fallow and other improved land.

[2] Comparable information is not available for 1946.

2.

Amounts Paid out under the Feed Grain Assistance Policy[1] on Feed Grain shipped into the Maritime Provinces for the following representative crop years

Province	$ 1941-42	$ 1946-47	$ 1951-52	$ 1956-57	$ 1961-62[2]
New Brunswick	252,832.50	906,112.51	703,863.07	644,824.64	632,897.86
Nova Scotia	361,914.93	1,039,562.04	1,152,319.33	1,366,833.52	1,316,718.58
Pr. Edward Is.	78,566.49	333,723.60	289,784.96	224,708.84	197,139.33
Total	693,313.92	2,279,398.15	2,145,967.36	2,236,367.00	2,146,755.77

[1] Total expenditure under the Feed Grain Assistance Policy has been reduced in proportion to the volume of millfeeds shipped and assisted in the periods.

[2] These amounts include assistance provided under a feed corn assistance policy in 1962.

3.

Estimated Amount of Feed Grain[1] Grown in each of the Maritime Provinces, Representative Years[2]

	Prince Edward Island (tons)	Nova Scotia (tons)	New Brunswick (tons)
1941	93,592	53,209	115,309
1946	110,011	48,965	111,706
1951	148,109	57,997	133,689
1956	148,799	48,189	122,424
1961	145,108	38,012	80,364

[1] Includes wheat, oats, barley and mixed grains.

[2] The third year of each of the five-year periods in the last 25 year period was selected to be indicative of a representative year.

LETTER CARRIER SERVICE IN COMMUNITIES LESS THAN 2,500

Question No. 541—**Mr. Saltsman:**

1. Is there a regulation to provide letter carrier delivery service for communities of less than 2,500 points of call when such communities are immediately adjacent to a larger centre where letter carrier delivery is already in operation and, if so, is the letter delivery service in the smaller community considered to be an extension of an existing service rather than the creation of a new one?
2. When was this regulation first passed?
3. Under what authority was it passed?
4. When was this regulation first used?
5. For which community was it first used?
6. How many communities of less than 2,500 points of call have been granted letter carrier delivery service under this regulation?
7. What are the names of these communities?
8. What are the distances between the small community and the larger centre where letter carrier delivery service was already in operation?
9. What use was made of the discontinued post offices in the smaller communities?

Hon. René Tremblay (Postmaster General): 1. There is no regulation governing the provision of letter carrier delivery service to communities of less than 2,500 calls located adjacent to a larger centre where letter carrier service is already in operation.

2, 3 and 4. As far back as our records are available letter carrier extensions from major centres have been authorized provided the area to be served was contiguous to the existing letter carrier limits. In these cases any post offices within the areas to which letter carrier service was extended were closed and replaced by sub post offices of the distributing community.

In 1958 by authority of the then Deputy Postmaster General, a revised policy was developed and introduced which permitted extensions of letter carrier delivery to suburban developments not necessarily contiguous to existing letter carrier delivery, but within the recognized delivery area of the office already served by letter carrier and from which the extension was being made.

In applying this revised policy, any intervening territory which was not built up because of the type of terrain or because it was used for such purposes as public recreation, etc., was bypassed in order to provide service to the suburban developments.

No precise distance was stipulated in traversing this undeveloped territory, but it is required that service to the additional area has to conform to the same cost factors and come within the same recognized delivery area as the service of the delivering office from which the extension is being made.

5. Extensions under the revised policy were made simultaneously but a list was not maintained.

6. and 7. No records are maintained. These are considered part of the regular extensions.

8. See answers to parts 2, 3 and 4.

9. This is determined by the Department of Public Works.

PENSIONS OF JUDGES WIDOWS

Question No. 542—**Mr. Groos:**

Is any consideration being given to amending the Judges' Act to give a Judges's widow one-half of her husband's pension as is the general pattern with respect to other public servants and, if not, what considerations obtain in maintaining the one-third benefit under section 27(1)(b) of the Judges' Act?

Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice): No. Annuities under the Judges' Act are non-contributory and the amount thereof does not depend upon length of service.

MR. JUSTICE MEUNIER—DATE OF SUSPENSION

Question No. 574—**Mr. Coates:**

1. Has Mr. Justice Meunier of the Superior Court of Quebec been suspended since his conviction for a criminal offence and, if so, on what date did the suspension become effective?
2. Is he still receiving his salary as a judge?
3. How much has been paid to him as salary or indemnity since his conviction?

Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice): 1. No. The Government has no authority to suspend a judge. However, he was granted leave of absence until the charges that were laid against him were disposed of.

2. Yes.

3. $12,716.66 to May 31, 1965.

JOE BONNANO—LAYING OF PERJURY CHARGES

Question No. 581—**Mr. Coates:**

1. On what date were the three charges of perjury laid against Joe Bonnano heard and in what city and before what judge?
2. Who represented the Crown during the trials and who represented Mr. Bonnano?
3. On what date was judgment rendered?

Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice): 1. Three charges of perjury were laid against Joe Bonnano on June 10, 1964. The preliminary hearing

took place before Judge Emile Trottier at Montreal on June 26 and June 29, 1964.

2. The Crown was represented by Mr. C. Antoine Geoffrion, Q.C. and Mr. P. Lamontagne. Mr. Bonnano was represented by Raymond D'Aoust, Q.C.

3. Judgment dismissing the charges was rendered at the conclusion of the preliminary inquiry on June 29, 1964.

EXPO '67—OPTIONS ON PAVILION SITES

Question No. 601—**Mr. Martineau:**

1. How many industrial firms have taken options on pavilion sites at Expo '67?
2. How many of such firms have so far taken up their option with Expo '67?
3. How many firms have withdrawn their option in this regard or have indicated their intention to so withdraw?
4. What are the names of these firms?

Hon. Mitchell Sharp (Minister of Trade and Commerce): 1. 30 exhibitors (some exhibitors include the joint participation of several firms. Total number of firms 700).

2. 15.

3. 10 including 8 which are expected to participate in Theme or joint pavilions.

4. The names of the firms which have withdrawn their option cannot be released without the consent of the firms concerned.

QUEBEC—ARDA—COMPLETION OF DRAINAGE PROJECTS

Question No. 604—**Mr. Gauthier:**

1. How many drainage projects were completed in the Province of Quebec under ARDA in 1961, 1962, 1963 and 1964 indicating in each case, the location and the amount involved?
2. From the date the ARDA program was initiated until March 31, 1965, what amounts were allocated to the following provinces: British Columbia, Manitoba, Saskatchewan, Alberta, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Northwest Territories?

Hon. Maurice Sauvé (Minister of Forestry):

1. The list of projects shown below submitted by the Province of Quebec shows the location, the federal contribution and the date the final claim was received.

2. The following list indicates the federal funds available to the provinces from the date the ARDA program was initiated until the Agreement expired on March 31, 1965.

Prince Edward Island	$ 1,359,168
Nova Scotia	3,243,333
New Brunswick	3,314,166
Quebec	10,439,997
Ontario	10,992,500
Manitoba	3,540,834
Saskatchewan	6,345,834
Alberta	5,552,502
British Columbia	3,625,833
Northwest Territories	NIL

DRAINAGE PROJECTS COMPLETED IN THE PROVINCE OF QUEBEC

1961	Nil
1962	Nil
1963	Nil

Project	Location	Federal Contribution	Date Final Claim Received
		$	
5003	Improvement of St-Telesphore waterway and its tributaries, Soulanges County..	15,237.00	December 2, 1964
5008	Improve watercourse of Matteau and tributaries—Arthabaska and Drummond...	11,891.00	August 20, 1964
5010	Improve watercourse of Corbeil and tributaries, St. Augustin, Deux-Montagnes...	12,483.00	December 2, 1964
5014	Improve watercourse Taillon and tributaries to reclaim land—Arthabaska.....	12,545.00	December 2, 1964
5016	Improve watercourse Rousseau and branches St. Thomas, Montmagny County...	14,355.00	August 20, 1964
5018	Improve Laflamme River watercourse to reclaim land in Abitibi East.....	8,963.00	June 29, 1964
5019	Improve watercourse Menard-Bourbonnais No. 1 and branches, Soulanges County	7,400.00	August 20, 1964
5020	Improve watercourse Des Trente and tributaries, St. Jacques Mineur, Laprairie Co.	15,567.00	December 2, 1964
5021	Decharge des 14 watercourse improvement to reclaim 760 acres, Vercheres County.	13,215.00	December 2, 1964
5024	Improve watercourse Dagenais-Besner St. Michel de Vaudreuil.....	8,042.00	December 2, 1964
5026	Improve watercourse Pir-Vir and tributaries, St. John County.....	11,147.00	December 2, 1964
5031	St. Michel watercourse improvement to reclaim 845 acres—Napierville County...	8,963.00	December 2, 1964

QUEBEC—APPOINTMENT OF YVES LEDUC TO SUPERIOR COURT BENCH

Question No. 607—**Mr. Fisher:**

1. Has a Mr. Yves Leduc been recently appointed a Judge of the Superior Court in Quebec and, if so, when was the appointment made?
2. What is the educational experience of this appointee?
3. How many years has he served as a practising lawyer?

Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice): 1. Yes. May 10, 1965.

2. Bachelor of Letters and Bachelor of Civil Law, University of Montreal; graduate of the faculty of Social, Economic and Political Sciences, University of Montreal, 1934; appointed in 1960 assistant Deputy Attorney General of Quebec; in 1962 appointed District Judge and Associate Chief District Judge for the District of Montreal.

3. Approximately 28 years.

CANADIAN DELEGATION TO WORLD POPULATION CONFERENCE

Question No. 625—**Mr. Prittie:**

1. What are the names of the Canadian delegates to the World Population Conference which will be held under the auspices of the United Nations with the co-operation of the International Labour Organization, the Food and Agricultural Organization of the United Nations, the United Nations Educational, Scientific and Cultural Organization, the World Health Organization, and the International Bank for Reconstruction and Development, to take place in Belgrade, Yugoslavia, from August 30 to September 10, 1965?
2. In which department or agency of the federal government is each of the delegates employed?
3. If any of the delegates are not in the service of the federal government, what is the ordinary occupation of each such delegate?

Hon. Paul Martin (Secretary of State for External Affairs): 1. The Canadian Government has nominated the following experts to attend the second World Population Conference in their individual capacities: Mr. Frank Denton, Research Staff, Economic Council of Canada; Dr. Y. Kasahara, Demographic Consultant, Central Research and Development Staff, Dominion Bureau of Statistics; Dr. K. Krotki, Chief, Demographic Analysis and Research, Census Division, Dominion Bureau of Statistics; Mr. A. H. LeNeveu, Chief, Current Population Estimates and Analysis, Census Division, Dominion Bureau of Statistics; an officer from the Canadian Embassy, Belgrade.

2. See answer to question 1, above.

3. The Secretary of the World Population Conference has informed us that the United Nations has invited approximately 1,250 experts to participate in the Conference in their individual capacities and at their own expense, including 24 Canadians from outside the Canadian Government service. Inquiries concerning the participation in the Conference of these experts should be addressed to: The Secretary of the World Population Conference, c/o United Nations Headquarters, New York City, United States of America.

CHATHAM, ONT.—CLOSING OF ENTOMOLOGICAL LABORATORY

Question No. 631—**Mr. Danforth:**

1. When does the Department of Agriculture plan to close the Chatham Federal Entomological Laboratory?
2. Where will these facilities be moved to?
3. What is the estimated cost of the establishment and construction of the new facilities to replace the above laboratory?
4. What is the estimated annual saving by replacing the above facilities?

Hon. Harry W. Hays (Minister of Agriculture): 1. The Department of Agriculture plans to have the investigations presently located at the entomology research laboratory, Chatham, relocated in approximately five years' time, partly at the Research Institute, London, partly at the Research Station, Harrow, and partly at the Experimental Farm, Delhi.

2. Answer in No. 1 above.

3. New facilities are not being established specifically to replace those at Chatham. The Chatham entomologists will be located where they can work side by side with various specialists such as chemists, plant breeders, pedologists, pathologists, and physiologists so that all facets of crop production problems may be studied co-operatively. These lines of work will be fitted into existing facilities or those planned in the future for Harrow, London, and Delhi. No separate cost can be calculated.

4. Answered in No. 3 above.

AGRICULTURE—NEW RESEARCH FACILITIES AND EXPERIMENTAL FARMS

Question No. 632—**Mr. Danforth:**

1. How many new federal agriculture research facilities, substations, experimental farms, etc., were opened in 1964, indicating the type and location?
2. How many are contemplated for 1965, indicating the type and location?
3. How many are planned for 1966, indicating the type and location?

Hon. Harry W. Hays (Minister of Agriculture): 1. None.

2. None.

3. None.

Questions

AGRICULTURE—CLOSING OF EXPERIMENTAL STATIONS AND FARMS

Question No. 633—**Mr. Danforth:**

1. How many federal agriculture experimental stations, sub-stations, farms or establishments were closed in 1964, and what were their locations?
2. How many will be closed in (a) 1965 and (b) 1966?
3. What is the location of these establishments that are planned to be closed during the next two years?

Hon. Harry W. Hays (Minister of Agriculture): 1. No research or experimental establishments of the Department of Agriculture were closed in 1964.

2. (a) 1965, Tower Hill, New Brunswick. (b) 1966, Fort Chimo, Quebec. The station at Smithers, B.C. is to be closed and necessary work in that area done at local Project Farms, but the precise date has not been decided.

3. Answered in 2 (a) and (b).

ALLEGED IMPROPER APPLICATION OF SALES TAX

Question No. 634—**Mr. Coates:**

1. Is the Minister of National Revenue investigating the charges made by the Maritime Lumber Bureau and the Atlantic Provinces Retail Lumber Dealers Association that the 11 per cent sales tax is being improperly administered by his Department?
2. Is it the intention of the government to bring forward legislation that will embody the recommendations of the Auditor General related to the collection of the sales tax?

Hon. E. J. Benson (Minister of National Revenue): 1. The administration of the 11 per cent sales tax on lumber is being carried out in accordance with the provisions of the Excise Tax Act and regulations, and it is therefore quite incorrect to say that this tax is being improperly administered by the Department. There have been a number of problems, however, resulting from the extremely complex nature of this industry and, on my instructions a few months ago, an exhaustive survey into the industry was initiated. The survey has now been completed and we are confident that the recommendations arising out of it will provide some solutions to the administrative problems encountered in so far as the application of sales tax in that industry is concerned.

2. In so far as this question is concerned, I would draw your attention to that portion of the budget speech of the Minister of Finance dealing with the Excise Tax Act, appearing on page 439 of *Hansard* for April 26, 1965.

[Mr. Hays.]

BONUSES UNDER HOME CONSTRUCTION PROGRAM

Question No. 637—**Mr. Stefanson:**

1. How many applications were received for the $500 bonus for homes built in the Province of Manitoba for the 1964-65 season, under the Winter Home Construction Incentive Program?
2. How many applications qualified for incentive payments?
3. What is the total amount of incentive payments paid in Manitoba?
4. How many qualified in (a) Metropolitan Winnipeg (b) Brandon (c) Flin Flon (d) Portage La Prairie (e) Selkirk (f) Dauphin (g) Gimli (h) Stonewall (i) Teulon (j) Riverton (k) rural Municipality of Bifrost (l) rural Municipality of Coldwell (m) rural Municipality of Siglunes (n) rural Municipality of Eriksdale (o) rural Municipality of St. Andrews (p) rural Municipality of Rockwood (q) rural Municipality of Woodlands (r) Winnipeg Beach (s) Grand Rapids (t) Norway House (u) local government District of Armstrong (v) local government District of Fisher (w) local government District of Grahamdale (x) rural municipality of Gimli?

Hon. A. J. MacEachen (Minister of Labour):

1. 1,719.
2. 1,454.
3. $209,500 to June 4, 1965.
4. (a) 1,149
   (b) 43
   (c) No applications received
   (d) 18
   (e) 7
   (f) 7
   (g) 6
   (h) 1
   (i) No applications received
   (j) No applications received
   (k) *
   (l) *
   (m) *
   (n) *
   (o) *
   (p) *
   (q) *
   (r) 1
   (s) No applications received
   (t) No applications received
   (u) *
   (v) *
   (w) *
   (x) *

* There were no applications received under the names of these rural municipalities or districts, but there may have been some applications which are not identifiable from the information provided on the forms.

GEORGES LEMAY—EXTRADITION PROCEEDINGS

Question No. 638—**Mr. Nugent:**

1. Have extradition proceedings been taken regarding one Lemay, now in Florida, a much sought after alleged criminal by the police in Montreal?
2. If so, on what date and by whom?
3. Is the Department of Justice taking part in the proceedings?

Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice): 1. To date the Federal Government has not been requested by the Department of Justice for the Province of Quebec, which has the direction and control over the criminal proceedings instituted against Lemay in that Province, to requisition the Government of the United States for his surrender. Deportation proceedings have, however, been instituted against him by the United States authorities.

2. Not applicable.

3. Not applicable.

HAMILTON, ONT.—POST OFFICE EMPLOYEES

Question No. 642—**Mr. Howe (Hamilton South):**

1. How many people are currently employed by the Post Office Department in Hamilton, Ontario?
2. How many vacancies are there in the Post Office Department in Hamilton?
3. How many employees of the Post Office Department in Hamilton have left their jobs since January 1, 1965, and in each case, what reason was given?

Hon. René Tremblay (Postmaster General): 1. 450 persons in full time positions, 41 in part time positions.

2. 26 vacancies.

3. 35 full time employees and 11 part time employees.

Full time

12 for better wages or opportunities
2 to go into business
2 rejected during probationary period
5 to obtain day work
1 return to school
1 for health reasons
1 moved away
1 resigned after marriage
2 no reason given—worked less than 3 days each
1 unable to cope with the work
1 preferred other employment
2 to return to former employment
4 retired

35

Part time

5 obtained full time work elsewhere
5 to devote more time to school studies
1 Hours interfered with another job outside

11

P.E.I.—LOBSTER FISHERY TRAP LIMIT

Question No. 645—**Mr. Mullally:**

1. Has the government received representations from any organization, company or individual in Prince Edward Island requesting the establishment of a trap limit and/or licence restrictions for the lobster fishery?
2. If so, what has been the reply by the government?
3. Has the Department of Fisheries or any other department of government conducted any studies, surveys or other research efforts to determine the relationship between the number of traps and the quantity of lobsters caught?
4. What is the present attitude of the government with respect to the establishment of trap and licence limitations?
5. Would the government be receptive to a request from the industry for the establishment of such restrictions?

Hon. H. J. Robichaud (Minister of Fisheries): 1. Yes.

2. This is not a simple problem and it is under investigation.

3. Yes. Certain aspects of this problem have been investigated by the Fisheries Research Board of Canada and by the economic service of the Department of Fisheries.

4. The investigations carried out so far would suggest that, while the number of traps in use per lobster fishing enterprise or per fisherman is probably unnecessarily large, the main cause of low earnings among lobster fishermen is the excessive number of fishermen or enterprises in relation to the extent of the lobster resource. This indicates the difficulties to be faced in devising a suitable plan of rational management for the lobster fishery.

5. The government is always receptive to a substantial request from industry, and is willing to undertake whatever investigation may be necessary for full assessment.

MOVEMENT OF GRAIN COMMISSION PERSONNEL

Question No. 680—**Mr. Rapp:**

1. Has the key personnel staff of the Grain Commission been moved from Fort William to Winnipeg and, if so, for what reason?
2. Is it now intended to transfer the weighing staff to Winnipeg and, if so, for what reason?

Hon. Harry W. Hays (Minister of Agriculture): 1. No. The headquarters of the Board of Grain Commissioners and its six

major divisions have been located in Winnipeg for many years, with the exception of the headquarters of the weighing division which is responsible for the Board's grain weighing operations throughout Canada and which is located at Fort William.

2. The Chief and Assistant Chief Grain Weighmen, and two supporting clerical assistants, are being transferred to Winnipeg to facilitate the Board's operations. No other transfers are contemplated.

*HIGH ARROW DAM CONSTRUCTION

Question No. 681—**Mr. Herridge:**

1. What is the name of the authority or officials who report to the Minister of Northern Affairs and National Resources with respect to decisions and developments in connection with the construction of the Columbia River Treaty projects?

2. Has the B.C. Hydro and Power authority complied with clause 4 of the International River Improvements Act for a licence to construct High Arrow Dam and, if not, has the government any information dealing with the delay in this regard?

3. Has the Government of Canada been assured that the High Arrow Dam is a safe dam in every respect and that it will be unaffected by any earthquake; that the under seepage is within safe limits; that adequate arrangements have been made for the safe energy dispersal of the large volume of water involved?

Mr. John N. Turner (Parliamentary Secretary to Minister of Northern Affairs and National Resources): 1. The Canadian section of the Columbia River Treaty Permanent Engineering Board reports to the Minister of Northern Affairs and National Resources concerning the international aspects of decisions and developments related to the construction of the Columbia River Treaty projects in accordance with the provisions of the treaty and protocol. The Advisory Subcommittee of the Canada—British Columbia—Columbia River liaison committee reports to the Minister in his capacity as chairman of the Canadian section of that committee on Federal-Provincial matters related to the construction of the treaty projects arising from the treaty and protocol and the two Canada—British Columbia agreements related thereto.

2. The British Columbia Hydro and Power Authority complied with the International River Improvements Act by applying under Section 3 of the Act for exception of the Arrow Lakes project from the operation of the Act. It was decided that this project should be licenced under the Act rather than excepted; and a draft licence for it was approved by Order in Council P.C.1965-254 dated February 16, 1965, and was sent to the Chairman of the Authority on March 1. It is expected that the licence will be issued at an early date.

3. Every precaution in the interests of safety against possible damage from earthquakes, seepage, erosion, or other causes, has been taken in the design and in the construction requirements. This subject was considered in detail by the Standing Committee on External Affairs during its consideration of the Columbia River treaty and protocol, and in particular during its sessions on April 24 and April 28, 1964, when expert evidence on these aspects of the safety of the project was given by Dr. Richard L. Hearn, President of CBA Engineering Company Limited, Vancauver; Dr. Hugh Q. Golder, President of Dr. Hugh Q. Golder and Associates Limited, Consulting Civil Engineers, Toronto; and Dr. Arthur Casagrande, Professor of Soil Mechanics and Foundation Engineering, Harvard University. This evidence is contained in issues Nos. 13 and 15 of the Minutes of Proceedings and Evidence of this Standing Committee and doubtless is available to the hon. Member posing this question, since he was a member of this Committee and is recorded as being present on both of the dates given above.

*CANADIAN SEAFARERS BUILDING CORPORATION

Question No. 682—**Mr. Herridge:**

1. Who were the officers or directors of the Canadian Seafarers Building Corporation, Ltd., according to the records of the Companies Incorporations Branch as of June 1, 1965?

2. Is this a private company?

3. When did the Companies Incorporations Branch last receive an annual return from the Canadian Seafarers Building Corporation Ltd.?

4. Who are the present officers of the Canadian Seafarers Building Corporation Ltd.?

5. What number of shares are held by each of the officers?

6. Are any shares in the Corporation held by the Seafarers International Union of North America?

Mr. J. B. Stewart (Parliamentary Secretary to Secretary of State): 1. The information on record is not up to date. The latest summary filed by this company is as of March 31, 1963 when the officers were: Harold C. Banks, President and Director; Leonard J. McLaughlin, Vice President and Director; Raymond Doucet, Director.

2. Yes, this is a private company.

3. The last annual return was received as of March 31, 1963.

4. This information is not on record; see part one above.

5. This information is not available.

6. This information is not available.

COMMISSION ON ELECTION EXPENSES

Question No. 684—**Mr. Nesbitt:**

1. How many days has the commission on election expenses been sitting?
2. Who are the members of the committee?
3. What is the total cost of the committee to date?
4. What are the indemnities of committee members?
5. How much has the chairman and each of the members received since the commission was set up (a) in indemnity (b) in expenses?

Hon. Maurice Lamontagne (Secretary of State): 1. 16 days.

2. Alphonse Barbeau, Chairman Montreal; Hon. M. J. Coldwell, Ottawa; G. D. Dryden, Toronto; A. R. Smith, Calgary; Prof. N. M. Smith, Saskatoon.

3. $12,677.54 as of June 15, 1965.

4. $100 per day. (For days worked only)

	(a) Indemnity	(b) Expense
Mr. Barbeau	1,200	720.40
Mr. Coldwell	1,800*	526.08
Mr. Dryden	—	—
Mr. Smith	800	959.28
Mr. Ward	400	172.94

*This amount covers the number of days worked and not only the number of sittings.

GIFT OF LAND, KEJIMKUJIK NATIONAL PARK

Question No. 693—**Mr. Crouse:**

Has the federal government given an indication to the Government of Nova Scotia of its formal acceptance of the gift of land from the Nova Scotia Government which will constitute the new National Park in the area of Kejimkujik Lake, Queens County, and, if not, on what date will the government give formal acceptance of this gift of land?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): The Government of Nova Scotia has been informed that Canada is prepared to accept title to the lands for development of a national park in the area of Kejimkujik Lake as soon as conveyance to Canada of title to the said lands free of all encumbrances can be completed. The final legal steps of conveyance are in process and formal acceptance by Canada will follow immediately thereafter.

OIL EXPLORATION, HUDSON BAY

Question No. 700—**Mr. Simpson:**

1. Has the Department of Fisheries taken note of the extensive exploratory work which is to be carried out in the search for oil in Hudson Bay during the next two or three years and, if so, does the Department consider that the pattern blasting which will be taking place will constitute a hazard to game and food fish as well as to the enormous population of white whales in those waters?
2. Will the Minister of Fisheries give instructions to have such steps taken as may be necessary to protect the fish and whale population of those waters?

Hon. H. J. Robichaud (Minister of Fisheries): 1. Yes, both as to oil surveys to be undertaken by oil companies and the geomagnetic surveys to be undertaken by federal government departments. The Department of Fisheries has investigated pattern blasting, and has suggested certain modifications for inshore waters.

2. Companies and departments concerned have already been advised of the conditions applicable, and arrangements have been made to place observers on board survey vessels to see to it that the necessary steps are taken to protect the fish and whale populations.

CONSERVATION OF NORTHWEST ATLANTIC FISHERY

Question No. 709—**Mr. Crouse:**

1. Is the government considering negotiating with the Soviet Union, or any other foreign country, participating in the Northwest Atlantic Fishery for an exchange of officers aboard fishing vessels and/or fishery patrol vessels to observe on each other's conservation measures?
2. Has the government received from the United States any reports on the results of observations made by representatives of that country aboard Russian fishing vessels in the northwest Atlantic and, if so, of what is the nature of such reports?
3. Is the Minister of Fisheries of the opinion that an "explosive situation" is developing concerning world fishery stocks and, if so, what new measures are planned by the government to protect the fish populations off Canadian coasts?

Hon. H. J. Robichaud (Minister of Fisheries): 1. Yes. The exchange of enforcement officers between the United States and Canada this spring to observe procedures followed in enforcing fishery regulations made under the International Convention for the Northwest Atlantic Fisheries proved valuable, and consideration is being given to arranging similar exchanges in the future with other member countries.

2. Reports of the exchange of enforcement officers between the U.S.S.R. and the United States, and between Canada and the United States, were submitted to the annual meeting of the International Commission for the Northwest Atlantic Fisheries which was held in Halifax recently. These reports outline the fishing and enforcement practices followed by the respective countries in the Convention, and show that the regulations are being enforced effectively.

3. At the first meeting of the North American Fisheries Conference held recently in Washington, D.C., I stated that an "explosive situation" is developing in world fisheries as a result of the rapid increase in the size and efficiency of the fishing fleets. The government will continue to do everything possible to conserve the fish stocks found off our coasts by means of supporting co-ordinated research programs and international co-operation and regulation in the field of fisheries management.

ANIELLO DE LUCA

Question No. 711—**Mr. Lambert:**

1. What was the conclusion of the inquiry under the Immigration Act referred to in the answer to Question No. 3,016 under date of March 31, 1965, concerning one Aniello De Luca, of Montreal?
2. Is Aniello De Luca still under detention and, if so, where and under what circumstances and, if not, when was he released?
3. What was the outcome of the proceedings under the Juvenile Delinquents Act as referred to in the answer to Question No. 3,016 above?
4. What further steps, if any, are under consideration with regard to this man and his future stay in Canada?

Mr. Hubert Badanai (Parliamentary Secretary to Minister of Citizenship and Immigration): 1. The inquiry under the Immigration Act revealed that Aniello De Luca had acquired Canadian domicile and was therefore not subject to deportation proceedings under the Immigration Act at that time.

2. No. He was released from detention on April 12, 1965.

3. According to information received by the Department of Citizenship and Immigration, Mr. De Luca was not convicted of one charge under the Juvenile Delinquents Act and two other charges were withdrawn.

4. None.

MAIL CONTRACT, ALONSA-AMARANTH-LANGRUTH, MAN.

Question No. 715—**Mr. Enns:**

1. To whom was the successful tender awarded for the Alonsa, Amaranth and Langruth mail contract?
2. What is the amount of the tender?

Hon. René Tremblay (Postmaster General): 1. The contract for the transportation of mail (highway service) between Portage la Prairie and Alonsa has not yet been awarded. In accordance with the terms of the Post Office Act, an inquiry is now in progress to determine whether the lowest tenderer is able to meet the requirements of the service.

2. Tenders received were as follows: Harvey McKay, Box 18, Amaranth, $6,472.28; Robert Stanley Rodericks, Reedy Creek, $7,200; George Walter Hanke, Box 46, Amaranth, $7,668; Leslie C. Stanley, Amaranth, $8,000; Henry Chesla, Alonsa, $8,000; David George Corfield, Silver Ridge, $8,800; Edward James Maxwell, 622 Dufferin Ave. E., Portage la Prairie, $8,835; William Witt, Amaranth, $9,000; Ronald Oswald Minton, Harcus, $9,000; John Dick, Amaranth, $10,500.

GOLF CLUB HOUSE, CAPE BRETON HIGHLANDS PARK

Question No. 718—**Mr. Muir (Cape Breton North and Victoria):**

1. On what date were tenders called for the construction of a new golf club house at the Cape Breton Highlands National Park, Nova Scotia?
2. On what date was it decided to cancel the construction of this golf club house and for what reason?
3. On what date was it decided to notify the low tenderer that construction was not going to be proceeded with?
4. When is it planned to recall tenders for the construction of this golf club house and how soon will construction commence?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1. Tenders were called by public advertisement on April 5 and 6, 1963; the closing date was May 7, 1963.

2. July 4, 1963. This project was cancelled owing to the urgent need for funds in other areas which required prior consideration.

3. July 11, 1963.

4. This matter is under consideration and when a decision is reached it will be announced in the usual way.

LAKEHEAD—PLANS FOR BRIDGE OVER KAMINISTIQUIA RIVER

Question No. 724—**Mr. Fisher:**

Does the agency of the Department of Public Works at the Lakehead have any plans or has it prepared any comments for the ministry on the possibility of a new bridge structure over the Kaministiquia River at or near James Street; if so, what is the gist of such plans or comments?

Hon. Lucien Cardin (Minister of Public Works): This does not come under the jurisdiction of the Department of Public Works and should be referred to the Department of Transport.

YARMOUTH, N.S.—PAVING OF WHARF

Question No. 733—**Mr. Coates:**

1. Were tenders called for paving a portion of the Yarmouth public wharf and, if so, what were the names of firms or individuals who submitted tenders and what were the amounts of the tenders in question?

2. Was the low bidder awarded the contract and, if not, who was awarded the contract?

3. What is the Department's experience in regard to the successful tenderer in carrying out work of this type?

Hon. Lucien Cardin (Minister of Public Works): 1. Yes. The tenders received were as follows: Leonard Shaw, $4,998; Aberdeen Paving, $6,720; Killam Noah, $7,590.

2. Contract was awarded to low bidder.

3. Low bidder has not previously done any work of this type for the Department.

OPENING OF EXPERIMENTAL FARM LABORATORY, SWIFT CURRENT, SASK.

Question No. 740—**Mr. McIntosh:**

1. What date will the laboratory at the Dominion Experimental Farm at Swift Current be officially opened?

2. Who will officially open the building on behalf of the federal government?

3. Has the Member of Parliament for Swift Current-Maple Creek been formally invited to the official opening by the Minister of Public Works, or the Minister of Agriculture?

Hon. Harry W. Hays (Minister of Agriculture): 1. The opening of the new laboratory building at the experimental farm, Swift Current, is to take place in conjunction with the annual field day and open house on June 16 and 17, 1965.

2. Dr. J. G. Taggart, former Deputy Minister of Agriculture, and Superintendent of the Experimental Farm, Swift Current, from 1921 to 1934, will officially open the building.

3. No formal invitations have been issued.

FEDERAL BUILDING, AMHERST, N.S.

Question No. 752—**Mr. Coates:**

1. Has a firm decision been reached by the government with regard to the construction of either a new federal building or an addition to the post office building in Amherst, N.S. and if, so, what is that decision?

2. When will tenders be called for this project?

Hon. Lucien Cardin (Minister of Public Works): 1. No.

2. Not applicable.

TRANS-CANADA HIGHWAY—FEDERAL EXPENDITURES IN ATLANTIC PROVINCES

Question No. 755—**Mr. Dubé:**

What were the amounts spent by the federal government on the trans-Canada highway in each of the four Atlantic provinces in the fiscal years ending March 31, 1960, 1961, 1962, 1963, 1964 and 1965?

[*Translation*]

Hon. Lucien Cardin (Minister of Public Works):

Fiscal Year	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick
1959-60	$5,353,270.83	$1,172,315.42	$3,128,648.30	$8,121,192.12
1960-61	6,579,175.27	551,094.68	3,257,089.47	3,461,086.08
1961-62	2,238,870.15	299,900.40	1,767,817.76	2,357,075.86
1962-63	1,042,763.77	66,348.12	1,124,825.60	1,584,987.22
1963-64	11,304,606.82	1,003,942.04	882,307.95	5,051,224.62
1964-65	22,765,152.13	1,107,933.59	4,714,202.48	8,046,357.70

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

*FEDERAL EXPENDITURES ON EXPO '67

Question No. 397—**Mr. Coates:**

1. What is the total amount of expenditures of the federal government made as of this date, or undertaken or planned to be done, directly or indirectly, in connection with EXPO 67?

2. Of the said amount, how much pertains to (a) National Harbours Board (b) Canadian Broadcasting Corporation (c) Trans-Canada Highway within the City of Montreal (d) the value of any works or services not included in (a), (b) or (c)?

Return tabled.

MUNICIPAL DRAINAGE PROJECTS

Question No. 507—**Mr. Gauthier:**

1. What are the 46 counties in which 118 drainage projects are located?

2. What are the amounts for each county?

3. What are the names of the municipalities involved?

4. What amount is each municipality going to receive?

Return tabled.

AGRICULTURAL EXHIBIT, EXPO '67

Question No. 520—**Mr. Harkness:**

1. What kind of agricultural exhibit is proposed for the 1967 World's Fair at Montreal?

2. How many people are working on the preparation of this exhibit and who are they?

Inquiries of the Ministry

3. How much money is being made available for the purpose of the agricultural exhibit?

Return tabled.

INCOME TAX

REQUEST FOR POSTPONEMENT OF LEGISLATION RESPECTING NEWSPAPERS

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address a question to the Acting Prime Minister. It should properly be addressed to the Minister of Finance, who is not here, but I am sure the Acting Prime Minister, who is present, will be able to answer.

In view of the fact that we will be taking up second reading of the income tax bill tomorrow, or probably today, and because the Minister of External Affairs and the Minister of Finance met on Friday last with the Canada Daily Newspaper Publishers Association, at which meeting this Association requested the Government to put off further action on the newspaper legislation until a better way was found to deal with the problem, can the Acting Prime Minister and Minister of External Affairs say whether the Government is prepared to accede to the request of this Association?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, I cannot at the moment say anything further on this subject, but the Minister of Finance will be back later today and I will have an opportunity of discussing the matter further with him, and I think he will likely be dealing with this question tomorrow.

Mr. Starr: Can the Acting Prime Minister say whether he could advise the House as to the decision of the Government on this matter prior to the taking up of second reading of this legislation?

Mr. Martin (Essex East): Mr. Speaker, I will be discussing the matter with my colleague.

ADMINISTRATION OF JUSTICE

DORION COMMISSION—OPPORTUNITY TO DEBATE REPORT

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, in view of the statement made earlier by the Acting Prime Minister to the effect that we may expect the report of Chief Justice Dorion in a matter of days, can we have some assurance that the Government will give to the House before the recess an opportunity to debate this report, giving the Government itself an opportunity to present what action it intends to take with respect to the findings of Chief Justice Dorion?

[Mr. Harkness.]

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker as I indicated, the Chief Justice hopes to be able to present his report soon, but not before the end of the week. The document will be tabled by the Government in Parliament, of course, and the procedures which Parliament has for dealing with this situation will undoubtedly be resorted to.

Mr. Douglas: Then may I ask the Acting Prime Minister more directly whether it is the Government's intention, when it receives this report, to make a statement before Parliament adjourns, setting out what action it proposes to take in the light of the findings of the Chief Justice?

Mr. Martin (Essex East): Mr. Speaker, I do not know what the report contains, and I am sure the Prime Minister will want to examine the report and, as a result, determine the course of action he proposes to take.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I should like to direct a question to the Acting Prime Minister. In view of the importance of this particular question I wonder whether the Government would give consideration to employing the same technique that was used on another occasion, that of sidetracking everything else and giving this matter top priority in regard to translation and printing.

Mr. Martin (Essex East): I think that is now being done, Mr. Speaker.

[*Later:*]

Mr. Terry Nugent (Edmonton-Strathcona): Mr. Speaker, my question is to the Acting Prime Minister and arises out of the statement made today in connection with the Dorion inquiry. Since the apparent leak of information occurred during the process of translating the report, would the Government give consideration to having inquiries and commissions report to the Government immediately in whatever language their reports have been initially prepared so that the Government can take the responsibility for the translation and publication of the reports with the result that there will be no doubt about the responsibility in this regard in the future?

Mr. Martin (Essex East): Mr. Speaker, I think it has yet to be proven that in fact there was a leak. As the hon. Member for Burnaby-Coquitlam so rightly said, this cannot be determined until the report has been made public.

Mr. Nugent: A supplementary question, Mr. Speaker. My question was directed to preventing any possibility of leaks in the future and so that if a leak did occur there would be no possibility of any doubt as to responsibility for the leak. Would the Government give consideration to that suggestion?

Mr. Martin (Essex East): I would doubt, Mr. Speaker—

Mr. Deputy Speaker: Order, please. Inasmuch as this question relates to policy in general, may I suggest it be placed on the order paper or brought up at a later time.

REVIEW OF CRIMINAL CODE PROVISIONS RESPECTING BAIL

On the orders of the day:

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Minister of Justice prompted by a report that appeared in a Toronto newspaper this morning. Has the Minister considered the report dealing with the alleged inequalities and inconsistencies in the system of granting bail which is said to obtain in Toronto, and which some of us know is in effect in other parts of Canada? Would he give consideration to having a complete study made of this subject and placing the matter before the Standing Committee on Justice and Legal Affairs so that recommendations may be made with a view to possible changes in the Criminal Code?

Hon. Guy Favreau (Minister of Justice): Yes, Mr. Speaker.

JOHN DARRELL PETERS—ALLEGED UNFAIRNESS IN SENTENCE

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Minister of Justice. Inasmuch as I have been absent for a few days I wish to thank the Minister for postponing answering the question until I returned. The question has to do with one John Darrell Peters. Can the Minister give the House the information he has at the moment?

Hon. Guy Favreau (Minister of Justice): Yes, Mr. Speaker. I have now had an opportunity to consider the Peters case which was referred to by the hon. Member for Skeena on June 3, 1965. In 1961 Hon. E. D. Fulton directed an exhaustive investigation into this matter to determine whether there were grounds which would warrant directing a new trial. After careful consideration he decided there were none, and I am in agreement with that opinion. Furthermore, nothing new has turned up in the meantime which would warrant reversing it.

I might add that several proceedings by way of prerogative writs have been launched by or upon behalf of Peters in the Supreme Courts of British Columbia and Ontario. In addition, an application for leave to appeal was made to the Supreme Court of Canada. This application was heard by five judges of that court and was dismissed on May 17 last.

SEAFARERS BUILDING CORPORATION—NON-COMPLIANCE WITH COMPANIES LEGISLATION

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I would like to ask the Secretary of State a question arising out of the reply given by the Parliamentary Secretary to the Prime Minister to Question No. 682 on the order paper, asked by the hon. Member for Kootenay West. Since it would appear that the Canadian Seafarers Building Corporation Limited has not complied with the provisions of the companies legislation, is it the intention of the Companies Branch or the Government to implement any proceedings to enforce compliance with the provisions of companies legislation and, if not, why not?

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, I will inquire into this matter and reply later when I get the necessary information.

CANADIAN NATIONAL RAILWAYS

QUEBEC—EXPRESS FORMS IN ENGLISH ONLY

On the orders of the day:

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, in the absence of the Minister of Transport who is away on official business, I shall put my question to the Acting Prime Minister.

On many occasions we have asked for French at the Canadian National Railways, in the province of Quebec. Now, I have here a receipt for a shipment from Montreal to

St. Tite, Champlain county, and this receipt is in English only.

I was talking about the question of the French fact in Canada last Friday, and this person wrote to me to prove that the express service of the C.N.R. sends English forms to people who do not speak English, in St. Tite of Champlain, where there is not a single English speaking person.

Then I should like to know whether the Acting Prime Minister could inform his colleague, the Minister of Transport, of this situation or have the latter corrected himself?

Mr. Deputy Speaker: Order. That question could be put on the order paper.

[*English*]

LABOUR CONDITIONS

DESIGNATED AREAS—LEGISLATION TO PROVIDE ASSISTANCE

On the orders of the day:

Mr. Robert C. Coates (Cumberland): Mr. Speaker, I have a question for the Acting Prime Minister. Is it the intention of the Government to take any action before the recess on the proposed legislation related to assistance to areas of unemployment in view of the continuing high rate of unemployment in the Atlantic area?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, I do not know what I would do in these difficult circumstances without the help of my colleagues. I should like to call the hon. Member's attention to page 2147 of *Hansard* where the Prime Minister, in setting out the agenda is reported as stating:

> Another important item which should be given early consideration is the new incentive for industry in certain areas to increase employment and incomes.

I may say, of course, that the employment figure in Canada is comparatively speaking very satisfactory.

An hon. Member: Not in respect of the Atlantic coast area.

Mr. Martin (Essex East): No.

Mr. Coates: I have a supplementary question. Will the Acting Prime Minister indicate whether the Government intends to go forward with this legislation before or after the recess?

Mr. Martin (Essex East): Mr. Speaker, the program has been outlined by the Government, and it will depend on the kind of assistance we receive from such friendly hon. gentleman as the one who has just put the question to me.

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, I should like to pose a supplementary question to the Minister of Industry. In view of the growing fear in the Maritimes that Halifax and Saint John will be the only parts of these provinces not to be included in this new legislation, will the Minister say whether a decision has been taken in this regard and, if not, whether a direct opportunity will be made available for those two cities to make representations?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, no decision has been taken as yet, and I do not feel that I should go further than the words of the Acting Prime Minister.

Mr. Bell: In that connection, Mr. Speaker, will the Minister give every assurance that Halifax and Saint John will be given an opportunity to protest this unfairness, which seems to be mounting, particularly in view of the fact that such a decision would only transfer the poverty around the Maritimes?

Mr. Drury: Mr. Speaker, I think an affirmative answer on my part to that question would be equivalent to acknowledging the correctness, which I dispute, of the allegation made by the hon. Member.

[*Later:*]

Mr. William Dean Howe (Hamilton South): May I ask the Acting Prime Minister if he can inform the House when we can expect to see the legislation promised by the Prime Minister on June 7 to provide grants for industries in designated areas, which legislation was to come into effect on July 1?

Mr. Martin (Essex East): If my hon. friend will look at one of the earlier questions, he will see that this has already been answered.

[*Later:*]

[*Translation*]

Mr. Marcel Lessard (Lac-Saint-Jean): Mr. Speaker, I should like to direct a question to the Minister of Industry.

I have been informed lately that the Minister of Industry had determined the criteria to be used for the newly designated areas which might receive assistance.

Is the minister in a position to tell us when he will make an official announcement concerning the newly designated areas and the policy to be applied there?

Mr. Deputy Speaker: Order. I think this question has been asked earlier this afternoon, and the minister has given an answer.

[*English*]

LABOUR RELATIONS

MONTREAL—APPLICATION FOR CHARTER FOR PORT COUNCIL

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Labour. Is the Minister of Labour now in a position to reply to several questions I brought to his attention during the past month concerning the S.I.U. and the maritime trustees, their activities and inactivities?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I am glad to be able to clear my outstanding accounts with the hon. Member for Kootenay West.

In connection with the question referring to port councils and the issuance of a charter by the International S.I.U., the Chairman of the Board of Trustees of the Maritime Transportation Unions has stated that the charter of the Montreal port council was issued on February 25, 1965 by the maritime trades department of the AFL-CIO, and that the Board of Trustees was not consulted about nor asked to approve the issuing of the charter. The Chairman of the Board of Trustees does not know whether or not the charter was issued with the approval of the Canadian Labour Congress.

Mr. Herridge: I have a supplementary question, Mr. Speaker. In view of the opinion expressed by Trustee Millard in respect of the irresponsibility of Paul Hall, does the Minister not think the trustees should approve any arrangement regarding charters of port councils which will have such an effect on the future development of our Canadian merchant marine?

Mr. MacEachen: Mr. Speaker, I have taken the view that the Board of Trustees has been given an independent status by Parliament, and that it would be improper for me to comment either pro or con on the day to day decisions made by the Board. If any other course were followed it would certainly be beyond the intent of Parliament in giving direct responsibility to the board itself.

SHIPPING

REPRESENTATIONS RESPECTING UNDERMANNING OF SHIPS

On the orders of the day:

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, in respect of a question asked earlier by the hon. Member for Kootenay West which had to do with the alleged undermanning of ships, I wish to advise him that the alleged undermanning of ships on the Great Lakes has been made the subject of an arbitration by the Seafarers' International Union. Judge Anderson, who is a well known conciliator, mediator and arbitrator, is conducting this arbitration. There is no indication that the action of certain shipowners reducing the size of their crews came about as the result of a recently negotiated agreement.

In respect of the third and final question posed by the hon. Member for Kootenay West, the answer to which is still outstanding, it is my understanding that the Minister of Public Works undertook to answer this question this morning. I will assure the hon. Member that if the Minister of Public Works is not available to answer it tomorrow, I will answer it myself.

ST. LAWRENCE RIVER—DAMAGE BY SPEEDING BOATS

On the orders of the day:

Mrs. Jean Wadds (Grenville-Dundas): I have a question for the Minister of Transport, but in his absence may I direct it to the Acting Prime Minister. Will the Government now give more serious consideration to the undue speeding of boats on the St. Lawrence as a result of the damage done last Friday at Prescott, which now must be added to the long list of complaints already on file with the Department in this regard?

Hon. Paul Martin (Acting Prime Minister): The question asked by the honourable and charming lady should be answered forthwith, and I regret that I am not sufficiently gallant or able to do so. We will do so tomorrow.

INQUIRIES OF THE MINISTRY

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I have a question for the Minister of Justice. On Friday the Minister spoke before the Manitoba Bar Association, and I should like to know who are the Canadians the Minister referred to as "unwashed infidels".

Inquiries of the Ministry

Mr. Deputy Speaker: Order, please.

Mr. MacInnis: Mr. Speaker, I rise on a point of order. I think this is a very important and urgent question, and if the Minister of Justice does not care to answer it we can only take it that he was referring to Canadians. In view of the fact that the Minister, in travelling around the country making speeches referring to Canadians as "unwashed infidels", is speaking on behalf of the Government, it is time we got some action.

Mr. Deputy Speaker: Order, please.

Mr. Robert Muir (Cape Breton North and Victoria): I have a question for the Acting Prime Minister. May I ask him if there has been any transfer of responsibilities from the Minister of Industry in his dual portfolio of Defence Production, in view of the press items appearing over the week end relating to the poor health and overwork of the Minister?

Hon. Paul Martin (Acting Prime Minister): My colleague, like all of my colleagues, is in excellent health.

HOUSE OF COMMONS

NOTICE TO STAFF RESPECTING ST. JEAN BAPTISTE DAY

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, my question is directed to the Acting Prime Minister and it arises from a letter sent to the employees by the House of Commons personnel director. It reads as follows:

"If the house is not sitting on June 24, St. Jean Baptiste Day..."

Can the Acting Prime Minister tell us why they use the conditional form, that is

"If the house is not sitting"?

Could the minister tell us whether it was not understood beforehand, according to the rules, that St. Jean Baptiste Day is a holiday for everybody?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, it is impossible for me to answer that question, since it is clear that St. Jean Baptiste Day will fortunately be a holiday for all members according to the statutes.

[Mr. MacInnis.]

[*English*]

COMMISSION REPORT ON ALLEGED FRAUDULENT VOTING IN B.C.

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, since this is the season for receiving reports of royal commissions I want to ask the Acting Prime Minister whether the Government has yet received a report from Mr. Justice Nemetz, who is looking into the question of alleged voting irregularities on the Pacific coast? Has the Government received the report and, if so, when will it be made public?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, I am not aware that it has been received, but I will look into the matter.

AGRICULTURE

PROPOSED CONFERENCE ON DROUGHT CONDITIONS IN OTTAWA VALLEY

On the orders of the day:

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, I should like to address a question to the Acting Prime Minister. In view of the continuing drought which is bringing about a desperate situation for farmers situated in widely scattered parts of both Ontario and Quebec, particularly among the farmers of the Ottawa Valley, and which may also bring about higher food prices, will the Minister state whether the Government has considered convening an emergency conference of representatives of the two provincial Governments, the Federal Government and farmers' associations to discuss this important matter?

[*Translation*]

Hon. Maurice Sauvé (Minister of Forestry): In the absence of the hon. Minister of Agriculture (Mr. Hays) who is now attending a meeting in Paris, I will take this question as notice and will say tomorrow whether provincial governments or farm organizations have made requests.

Mr. Martineau: The federal government has already stated that it was awaiting requests from the provincial governments, but I would like to know whether, on account of the very serious situation, the government will take action in order to help those who are affected?

Mr. Sauvé: I will consider the matter, Mr. Speaker, and answer tomorrow.

[*English*]

Mr. J. J. Greene (Renfrew South): A supplementary question, Mr. Speaker. Has the Minister received any request in this regard from the Ontario Department of Agriculture, which is a condition precedent to emergency action by the Federal Department of Agriculture?

[*Translation*]

Mr. Sauvé: I will study the files, Mr. Speaker.

[*English*]

Mr. R. R. Southam (Moose Mountain): A supplementary question, Mr. Speaker. Can the Minister inform the House whether the Government is considering an emergency acreage payment, similar to the action taken by the former Government in 1959 due to "under the snow" conditions and because of the 1961 drought?

Mr. Sauvé: This is a matter of Government policy which would be announced in due course.

VANCOUVER—FEDERAL ASSISTANCE IN ARENA CONSTRUCTION

On the orders of the day:

Mr. Arnold Webster (Vancouver-Kingsway): Mr. Speaker, my question is for the Minister of Agriculture. I gave him notice, but in the Minister's absence today perhaps his Parliamentary Secretary will have the answer. Is the report from Vancouver true that discussions have been held between the Federal Government and directors of the Pacific National Exhibition regarding financial assistance in the construction of a 15,000 seat arena to accommodate agricultural shows and an anticipated entry of Vancouver into the National Hockey League?

Mr. Deputy Speaker: Order, please. Perhaps this question might be put on the order paper.

EXTERNAL AFFAIRS

VIET NAM—ESTABLISHMENT OF COMMONWEALTH PEACE MISSION

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. Is the Commonwealth Prime Ministers' Conference in London proceeding with the setting up of the Prime Minister's peace mission in view of the reported statement of Premier Chou En-lai in Cairo that this is a hoax designed to help the United States to hang on to Viet Nam, and in the light of statements made by President Nasser and others?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the statement attributed to Premier Chou En-lai of the Chinese People's Republic is not, as I read it, an absolute repudiation of the mission in the sense that the Government of China will refuse to receive the mission. I sincerely hope that the Government of China and the Government of North Viet Nam, along with the government of the Soviet Union, will recognize the desirability of meeting this mission that represents so many constituent elements in the Commonwealth.

The members of the mission will urge on the interested parties the desirability of beginning peace talks without any preconditions. I am happy to say that as a result of almost continuous contact over the week end I am aware of the very constructive position taken by the Prime Minister in discussions with certain Prime Ministers of the Commonwealth who for one reason or another had their doubts about the potential usefulness of the initiative taken by the British Prime Minister.

Mr. Olson: A supplementary question, Mr. Speaker. Is Prime Minister Wilson to remain a member of this peace mission, or is he going to withdraw in favour of some other Commonwealth Prime Minister because of the objections stated by Chou En-lai and other government leaders in southeast Asia?

Mr. Martin (Essex East): Mr. Speaker, I know of nothing that is before me that would warrant the acceptance of this implication. The Government of Canada recognizes that there is much justification in the presence of the British Prime Minister as Chairman of the peace mission because, as Prime Minister, he is the head of the government that acts as one of the co-chairmen of the Geneva accord powers.

[*Later:*]

Hon. Gordon Churchill (Winnipeg South Centre): I should like to ask the Acting Prime Minister about the proposed peace mission of Commonwealth Prime Ministers. Newspapers indicate a rather discouraging response by China. Is there a possibility of the Canadian Prime Minister joining that group in view of

the withdrawal of the Prime Minister of Ceylon?

Mr. Martin (Essex East): I would not think that the withdrawal of the Prime Minister of Ceylon would cause the Prime Minister of Canada to change the position he took earlier, when he indicated that it would be better for him not to take part in the mission because of his desire, and the desire of other countries, that the mission should be a balanced representation of the Commonwealth. As I explained to the Member for Ontario the other day, by "balanced representation" he had in mind the fact that if he were to go on the mission it would mean there would be two western countries on the mission who are, at the same time, members of the North Atlantic Treaty Organization.

I may assure the hon. Member for Winnipeg South Centre that the Prime Minister has been following this initiative with very great interest and has exercised his well known talents for diplomacy to favourably persuade certain countries which, for reasons best known to themselves, have been somewhat opposed to the British initiative.

Mr. Churchill: May I ask a supplementary question. I was not asking for a eulogy of the Prime Minister, of course; let us have a eulogy of the Acting Prime Minister. Perhaps I did not phrase my first question correctly. In view of press reports that China is antagonistic toward the purposes of this mission, has the Acting Prime Minister any word from London on whether the intention is to proceed with the activities of the mission?

Mr. Martin (Essex East): I am sorry I did not answer that part of my hon. friend's question. I hope he will excuse me for saying the obvious in praise of the Prime Minister for what he has been trying to do. The only way I could avoid that would be if the hon. gentleman would undertake the responsibility of praising the Prime Minister for what he has been doing.

I do not expect that the reported attitude of the Chinese People's Republic will deter the decision of the Prime Ministers' Conference to proceed with the mission. On Saturday night a communication was addressed by the peace mission through its Chairman, the Prime Minister of Britain, to the Soviet Union, the United States, North Viet Nam, South Viet Nam, the Chinese People's Republic and the Secretary General of the United Nations. It is the intention of the mission to proceed very shortly to call on all those governments which are willing to receive them, so they can make representations designed to try to bring about talks leading to some stabilization in that section of Indochina.

ALGERIA—RECOGNITION OF NEW REGIME

On the orders of the day:

[*Translation*]

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs.

In view of what took place in Algeria over the week end, can the minister tell the house if the government expects to recognize the new regime shortly or if it will wait a while?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, it has been decided to postpone our decision until more information is available.

[*English*]

VIET NAM—TELEGRAM TO PRIME MINISTER FROM UNIVERSITY PROFESSORS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Acting Prime Minister. Has he been supplied with a copy of the telegram sent to the Prime Minister by 72 Canadian university professors concerning the danger of the war in Viet Nam escalating into a wider conflict? If so, can he give us the text of the telegram and the text of the Prime Minister's reply?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, I have the text of the telegram and I have a draft of the proposed reply, but whether it is the one the Prime Minister has actually sent I do not know. I will have to verify that.

Mr. Knowles: Perhaps the Acting Prime Minister could produce these documents tomorrow?

Mr. Martin (Essex East): I will endeavour to do that.

EDUCATION

REQUEST FOR INCREASED PER CAPITA GRANTS TO UNIVERSITIES

On the orders of the day:

Mr. Gerald A. Regan (Halifax): Mr. Speaker, in the absence of the Minister of Finance I should like to direct a very brief question to his Parliamentary Secretary. With regard to the review being made of the

system of university grants, can the distinguished Parliamentary Secretary indicate when this review will be completed and the changes brought into effect?

Mr. Deputy Speaker: Order. I suggest this is a question for the order paper.

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

CANADIAN CITIZENSHIP

TORONTO—REQUEST FOR CHANGE IN FORM OF OATH

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address a question to the Minister of Citizenship and Immigration. Has he received a communication from the Young Liberal Association of Spadina riding in Toronto asking that the words "God" and "the Queen" be deleted from the citizenship oath?

Hon. J. R. Nicholson (Minister of Citizenship and Immigration): Yes, Mr. Speaker, I received such a communication. I must say, however, that I did not give them any encouragement.

Mr. Starr: A supplementary question, Mr. Speaker. Does this mean that the Minister has refused this request?

Mr. Nicholson: I said to the spokesman that as long as our constitution remains in the form it is we shall honour the Queen and allegiance will be pledged to her as our Queen. That is my stand, and that is the stand of the Government.

Mr. R. Gordon L. Fairweather (Royal): A supplementary question, Mr. Speaker. With respect to oaths of citizenship, inasmuch as there are people who do not believe in a god, does the Government not take the position that they should be permitted to make affirmations?

Mr. Nicholson: Mr. Speaker, this question has come before the House on several occasions. The matter is now pending before the Court of Appeal of Ontario and a decision is expected shortly. In view of the fact that the answer is sub judice, I do not think I should answer the question.

HOUSING

REQUEST FOR MORTGAGE REBATE ON SINGLE DWELLINGS

On the orders of the day:

[*Translation*]

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, I should like to put a question to the Minister of Citizenship and Immigration as the minister answerable for the C.M.H.C.

In order to enable all Canadian families to live in wholesome conditions and ensure, at the same time, the economic progress of our country, could the minister tell the house whether the government has already looked into the possibility of allowing a 3 per cent rebate on mortgage loans granted throughout Canada for the construction of one-family dwellings?

Mr. Deputy Speaker: May I suggest to the hon. member that he put his question on the order paper?

[*English*]

BICULTURALISM AND BILINGUALISM

VISIT TO YUGOSLAVIA BY DELEGATION OF COMMISSION

On the orders of the day:

Mr. Erik Nielsen (Yukon): May I ask the Acting Prime Minister if he is in a position to reply to the question I asked him concerning the B and B Commission?

Hon. Paul Martin (Acting Prime Minister): I regret that I am not, but I will look into the matter. I have been preoccupied lately.

VANCOUVER—QUESTIONS ASKED BY COMMISSION REPRESENTATIVES

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, may I direct a question to the Acting Prime Minister. I understood that this afternoon he would answer two questions which I raised last week. I understood he was going to give a report as to whether or not a questionnaire had been issued by the B and B Commission, under contractual arrangement, which had certain political overtones.

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, I have asked for information with regard to the interrogations being made in British Columbia under the auspices of this Commission. I have not yet got all the facts to provide the necessary foundation for an answer.

PUBLIC SERVICE

OTTAWA—LANGUAGE QUALIFICATIONS RESPECTING EMPLOYMENT AND PROMOTION

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to

direct a question to the Secretary of State who is responsible for the Civil Service Commission.

Is it the government's intention to amend the Civil Service Act so that French speaking Canadians would not have to speak English any more than English speaking Canadians are required at present to speak French to get a job or a promotion, here, in Ottawa, so that both groups may get equal treatment?

Mr. Deputy Speaker: Order. Since this is a matter of general policy, I suggest that the hon. member put his question on the order paper.

[*English*]

LABOUR CONDITIONS

INQUIRY AS TO AMENDMENT OF FAIR WAGES AND HOURS OF LABOUR ACT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour. In view of the minister's statement on Wednesday last that it is the intention of the Government to apply the principles of the Canada Labour Code to all its employees, and that this will be done by July 1, can he tell the House what steps are to be taken to implement that undertaking?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, as I understand it the Treasury Board has already issued a directive to cover all employees with respect to the minimum wage of $1.25 an hour; and it is my expectation, barring some unforeseen situations, that all federal employees will receive the minimum wage by July 1.

The question of applying the hours is in a somewhat different situation, because it may be necessary to observe the pattern of adjustment that would prevail in private industry; but with respect to the wages there is no question as to the commencement date, July 1.

Mr. Knowles: As a supplementary question, Mr. Speaker, may I ask the Minister whether this will also apply to employees working on Federal Government contracts?

Mr. MacEachen: No, Mr. Speaker. It has been clear that this statute does not apply to contractors or employees working under federal Government contracts. That is why we have determined to amend the Fair Wages and Hours of Labour Act in order to bring the wages and hours in line with the principles of the Canada Labour Code.

[Mr. Pigeon.]

Mr. Knowles: Then what has happened to the Government's promise to have the Fair Wages and Hours of Labour Act amended by July 1?

Mr. MacEachen: Mr. Speaker, my hon. friend raised this question some time ago, and nothing has happened to the promise. It will be exercised as quickly as possible, but in view of the present parliamentary timetable it is quite unlikely that this can be done by July 1.

REPORTED DISCRIMINATION BY AIR LINES AGAINST MARRIED WOMEN

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, last week I asked whether the Government would give consideration to the serious matter of discrimination against married women in employment.

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, I regret I have not got the answer to this question as yet, but now that my hon. hon. friend has asked it again perhaps the officials in the gallery will see that he gets an answer as expeditiously as possible.

CANADIAN BROADCASTING CORPORATION

VANCOUVER—POSSIBLE USE OF FORMER R.C.A.F. BASE

On the orders of the day:

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, I should like to refer to an inquiry made by the hon. Member for Vancouver East on Thursday last. I am informed by the C.B.C. as follows. Mr. Caple, regional director of the C.B.C. at Vancouver, spoke solely on behalf of the corporation in requesting the Vancouver City Council to extend a 25 year lease to the C.B.C. as part of the former R.C.A.F. base at Kitsilano.

The city council was also advised that if the Kitsilano site were not available, the C.B.C. must necessarily investigate alternative sites. The C.B.C.'s interest in this matter is confined to securing an appropriate site for its Vancouver area operations as soon as possible and on the most attractive economic basis.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, a few minutes ago the Secretary of State gave an answer to the first two parts of the question I put to him last Thursday. Is he now prepared to give a reply to the third section, which has to do with the interest of the Government in an urban redevelopment in

Vancouver, with the C.B.C. being part of it and all three levels of government participating?

Mr. Lamontagne: Well, Mr. Speaker, I am not responsible for questions involving urban development, but I am quite sure that if a proposal were developed by those in authority then the C.B.C. would look into it very seriously.

Mr. Winch: May I direct a supplementary question to the Minister of Citizenship and Immigration and ask him whether there was an understanding given by himself that the Government would be interested in urban redevelopment, with the C.B.C. as part of it, and whether he still stands by what I understand to be the position he took only a few months ago?

Hon. J. R. Nicholson (Minister of Citizenship and Immigration): Mr. Speaker, I am very glad this question has been asked. I can say categorically that while I did say that the Federal Government or at least Central Mortgage and Housing Corporation, an agency of the Federal Government, would look sympathetically on any proposal for an urban renewal study in downtown Vancouver that might be put forward by the City of Vancouver—because it must originate with the city—any proposal put forward by the city which carried the support and endorsement of the Provincial Government would receive prompt and sympathetic consideration here in Ottawa, I went no further than that.

• (4:00 p.m.)

On that occasion discussion took place as to whether a C.B.C. building could be included in the study. I said I could give no assurance, that this must come out of the urban renewal study itself; that if out of that study, with the C.B.C. participating in the study, there came such a recommendation, it would receive prompt consideration by our officials here in Ottawa. I might say that following this I spoke to one of the members of the Provincial Government and suggested that thought should be given to an urban renewal study, perhaps more than one, in downtown Vancouver. As the hon. Member knows, there are several areas that are worthy of study in this respect. I have also alerted the officials of Central Mortgage and Housing in Vancouver, British Columbia to be on the lookout for any such a proposal that might come forward, and so far as I know nothing has been done since that date. That was several months ago.

REDISTRIBUTION

ONTARIO—PUBLICATION OF MAPS IN WEEKLY NEWSPAPERS

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, last week I addressed a question to the Secretary of State, asking him to inquire whether the Redistribution Commission in the Province of Ontario would publish in the weekly press some of the new maps that have been issued as a result of its work. As the deadline for publication in the weekly papers is tomorrow, can the Minister advise whether a decision has been made to comply with that request?

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, the views of the hon. Member have been communicated to the commission, but I have not received any indication from the commission as to what would be its decision.

Mr. Starr: Would the Secretary of State be good enough to communicate with it again and ask for a decision?

Mr. Lamontagne: I will.

• (4:00 p.m.)

FISHERIES IMPROVEMENT LOANS ACT

AMENDMENT TO INCREASE AMOUNT OF LOAN AND EXTEND REPAYMENT PERIOD

Hon. J. R. Nicholson (for the Minister of Finance) moved the third reading of Bill No. C-121, to amend the Fisheries Improvement Loans Act.

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

INDIAN CLAIMS COMMISSION

PROVISION FOR ESTABLISHMENT, DUTIES, ETC.

Hon. J. R. Nicholson (Minister of Citizenship and Immigration) moved that the House go into Committee to consider the following resolution:

That it is expedient to introduce a measure to provide for the disposition of Indian claims and in relation thereto,

1. To provide for the establishment of an Indian Claims Commission;

2. To provide for the duties of the Commission, its decisions and awards;

3. To provide for appeals from the decisions and awards of the Commission to an Indian Claims Appeal Court;

4. To provide assistance to Indian bands in preparing and pursuing claims; and

5. To enact such financial provisions as may be necessary to accomplish the purposes of the Act.

Motion agreed to and the House went into Committee, Mr. Lamoureux in the Chair.

Mr. Nicholson: Mr. Chairman, I am sure that many, and I hope all, hon. Members have carefully considered this resolution. Its purpose, as indicated in the resolution itself, is to establish an Indian Claims Commission to consider fully the claims of Indian bands against the Crown.

The establishment of such a Commission has been advocated for many years, not only by Indians but by many others, in order that a tribunal might be set up which could effectively deal with claims put forward by the Indians of Canada. The claims made may or may not have legitimate bases; some of them undoubtedly have, but it is felt that when so many of these claims are being put forward, whether rightly or wrongly, there should be a tribunal set up to determine them, and settle them once and for all.

I think most people who have studied this problem, and more particularly those with any training in the law, will appreciate that it is impossible to have these claims dealt with in the law courts, where strict rules of evidence must be followed and where other legal technicalities would have to be adhered to. These claims, I might say, have mainly to do with allegations that lands were taken without proper compensation agreed upon by treaty or otherwise; also they involve failure to discharge treaty obligations, improper use of Indian trust funds, and in general include claims based on the alleged failure of Canada to deal in a fair and equitable manner with our native people, the Indians.

Two joint committees of the Senate and House of Commons which examined Indian affairs in the years 1946 to 1948 and again in 1959 to 1961, after hearing the evidence of Indians and others, recommended that a Claims Commission be established to hear and settle in an equitable manner these claims. I might say that from my perusal of *Hansard* and discussions I have had with officials of my Department, I believe and I am advised that the establishment of such an Indian Claims Commission has received general suport in the past from members of all parties in the Commons, and the Indians generally have come to expect that such a Commission would be established.

In the United States, after many years of advocacy, an Indian Claims Commission was established in 1946. This Commission was given very broad terms of reference to deal with claims of Indian tribes, which are similar in many respects to those raised by the Indian bands and tribes in Canada. Indians in Canada are very well aware of the work of this Commission in the United States and they have continued—not only Indians but others who are interested in the subject—to press for a comparable tribunal in Canada to deal with these claims. I might say, Mr. Chairman—and I have had some experience myself—that some Indians feel such a Commission would be just another device concocted by the whites to whittle away Indian rights. We must do our best not only to establish this Commission as soon as possible, but when it is set up we must do what we can to ensure that everything is done to correct and remove any such impression.

Hon. Members will recall that in December, 1963 Bill No. C-130 was introduced in this House to establish such a Claims Commission. Immediately thereafter copies of the Bill were distributed to Indian organizations, Indian bands and other interested groups and individuals in all parts of Canada for study. The Bill now proposed and covered by the resolution before the Committee is similar in objectives but differs in some major respects, in that it includes several suggestions that were made by the Indian bands and others since the bill of December, 1963 was introduced.

The need to settle the claims of our native people, the Indians, is just as great today as it was when the earlier resolution was approved by a Committee of this House in December, 1963. The mere existence of these claims is an impediment, I believe, to progress. Some of the claims have their roots in the very deep past; they go back well over 100 years. Others are of more recent origin. But whether ancient or new, or whatever the merits of the claims may be, it is apparent that there is a continuing sense of grievance among the Indians concerned; they have felt that action should have been taken long ago, and that it is time for us to take action which will permit their claims to be dealt with in justice and fairness.

I firmly believe, therefore—and here I speak strongly on behalf of the Government—that it is highly desirable at this time to provide a means whereby the Indians can state their claims fully and have them determined. We hope that, once we have done so, these old controversies will be laid at rest, and by so doing will go a long way toward building the kind of confidence in the intentions of Parliament and the intentions of the Canadian

people which is so necessary for the future development of the Indian population of this country.

• (4:10 p.m.)

As I have already advised the Committee, it is the Government's intention to recommend that this bill be referred to a Committee for detailed consideration. In view of the great interest taken by Members of the other place and the fact that they have participated in two joint Committees which recommended that such a Commission be appointed, we intend to propose that the bill be studied by a Joint Committee of the two Houses of Parliament. When this bill is before the Joint Committee, and whenever it is considered necessary or desirable for me to do so, I, with the assistance of the officials of my Department in the Indian Affairs Branch, will deal with the various representations which were made to us during the year 1964 and early this year with respect to the former claims bill.

At this stage I will content myself by drawing attention to the objectives of the bill as outlined in the resolution. If all hon. Members have read it I need not take much of their time, but briefly they call for a measure to provide for the establishment of an Indian Claims Commission; to outline 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—I might say that was one of the matters recommended in several of the briefs that we received—and finally, to enact such financial provisions as may be necessary to accomplish the purposes of the Act.

Mr. Baldwin: Mr. Chairman, we on this side, and I am sure all hon. Members of the Opposition, welcome this very long delayed and much needed resolution which precedes the bill establishing the Indian Claims Commission. This afternoon we heard the Acting Prime Minister indicate that the Government intended to take certain steps with regard to helping make up a deficit on the part of the United Nations.

This, of course, underlines the fact that Canada plays a very considerable part in connection with peace keeping operations around the world, and in addition, of course, through the Colombo Plan and other measures has participated very substantially in assisting underdeveloped nations. But I want to emphasize that for my part I think until we have remedied the problem we have in our own country by legislation of this kind and by other measures, our opportunities to participate in this very worth-while work throughout the world must be somewhat lessened.

I welcome the announcement by the Minister that another joint committee will be set up. I had the privilege of serving on the last joint committee, and our labours extended over a period of three years. A number of witnesses were called and there was an extensive examination—

Mr. Nicholson: If the hon. gentleman will permit an interjection at this point, I hope that the passage of this legislation will not take even three months, let alone three years.

Mr. Baldwin: I hope so too; because it was in 1961 that the report was made, and it is now 1965. So the three years of discussion and the four years intervening between the filing of the report and introduction of the legislation makes a very long period of gestation.

I also wanted to refer to what the Minister said regarding the situation in this country in the past, particularly vis-à-vis the United States. In the United States for a great many years—hon. Members may not be aware of this—such treaties were given the same solemn obligation as were international treaties between sovereign countries. I think that was the case until about 1870 or 1880. This accordingly lent to treaties signed by the national government of the United States and the Indian people a far greater measure of solemnity, and gave them far greater opportunities to implement in different ways the benefits which the treaties purported to give to them.

I think this bill, as the Minister said, has its origin in the requests made over the years by various Indian bands and others who are equally concerned about the welfare and advancement of our Indian people. In particular it was the subject of discussion in the joint committee. At page 13 of the report of the Committee, the very last recommendation, the following appears:

> An Indian Claims Commission should be established to hear the British Columbia and Oka Indian land questions and other matters, and that the cost of counsel to Indians for the two land questions specified above be borne by the federal treasury.

I emphasize the use of the words "and other matters", because in the course of delibera-

tions and during several days in July 1961, when the steering committee wrestled with the question of what should be included in the report for presentation to the main Committee, there had been suggestions by the officials of the Department that the Claims Commission should be limited to the two issues of British Columbia and Oka Indian land questions. However, Members of the Committee, including hon. Members of the other place felt that this was insufficient; that there were other issues that remained to be settled and until these claims were resolved we could not be said to have done justice to the obligations, both legal and moral, which lay on our shoulders with respect to the Indian people of Canada. I want to make that quite plain because in concluding my remarks I want to point out the reason for the inclusion of the words "and other matters", and to emphasize and underline that certain areas of dispute should be included in this legislation or we have not lived up to our obligations.

We can consider the provisions of this bill later, but this discussion in committee gives me an opportunity to urge the inclusion of certain issues and questions which may or may not be in the bill. The Minister has not made it quite plain in this respect, and of course we will not know until we see the bill.

During the course of the last year or so there have been a number of court decisions which have brought up and emphasized the problems which still exist, particularly with regard to the rights of Indian people under the treaties which were entered into between the Federal Government and various Indian peoples. I am not going to go into all of them because this is not the time or the forum, but I should like to refer briefly to three. I will not infringe the rules, Mr. Chairman, and discuss the merits of these issues; I simply refer to them because some of them are still sub judice.

There is the recent decision of the magistrate's court in Saskatchewan declaring that what is known as the medicine chest clause in the treaties was sufficient on which to found a claim by the Indian people to receive certain medical and hospitalization privileges without having to pay for them. This in turn could cast a responsibility upon the Federal Government. Then there was a case in British Columbia involving traditional hunting and trapping rights which I think is still in the process of appeal. There may have been an abandonment of the appeal, but as far as I know it is still being considered. Third, there was the George case in Ontario where an appeal court decided, at least by inference, that the Migratory Birds Convention Act did not apply to Indians, a decision which has subsequently, in effect, been cancelled by a decision of the Supreme Court of Canada in the "lame duck" or Sikyea case.

These issues involve consideration of a number of treaties, and I am going to refer briefly to the treaties known as Nos. 1 to 11, involving all parts of western Canada save a large area of British Columbia, and parts of the northern areas in the Northwest Territories. They also involve a part of Ontario.

• (4:20 p.m.)

A consideration of these treaties and the decisions of the courts, I submit, introduces a completely new element into the question of how we must fulfil our obligations to the Indian people of Canada. I precede my statement by referring to the Sikyea case, a decision of the Supreme Court of Canada which in effect has declared that the treaties in question can no longer be considered as having any validity when the Parliament of Canada acting within the course of its authority has legislated. In other words these treaties—and there are citations which bear me out in this regard—are not more than promises made from time to time by Government officials, from the year 1870 up to I believe 1922 or 1923, purporting to act on behalf of the Government of Canada, when actually they have no solemnity or validity in view of the fact that the Government has seen fit to legislate in a way which is prejudicial and contrary to these respective agreements.

As a matter of fact I believe I am justified in making this statement. If these treaties were in fact agreements between private individuals, under the laws relating to the interpretation of contracts every one of them would be declared completely invalid in so far as the Indian people are concerned. In the first place, there have been elements of undue influence. The Government was dealing with people who were then its wards. In many cases they were illiterate and unacquainted with the legal phraseology used and completely unaware of the consequences of treaties they signed. These were agreements which were improvident and were signed in exchange for a few thousand dollars in respect of each, plus a few thousand dollars paid each year in respect of all areas except the Northwest Territories, plus

a suit of clothes, medals and a flag to the Indians involved, purporting to quiet the title to the Federal Government of that vast area of Canada lying west of the Great Lakes, excluding a large part of the Province of British Columbia.

To illustrate my point that this was improvident, unconscionable and against national justice, I should like to refer to the terms of a later treaty which was signed in 1922 or 1923 by which the Indians, having already transferred to the Federal Government such rights as they had in their lands, gave up their traditional fishing and hunting rights in a comparatively small part of the country, for which they received half a million dollars. Contrast that with the paltry amounts paid to the various Indian bands and the amounts paid on a yearly basis to the Indians under treaties signed during the last half of the nineteenth century.

I think that is ample proof of my proposition that these agreements were improvident, and that if they formed the basis of private agreement between two parties any court would set them aside as being completely contrary to the interests of one of the parties. The treaties were fraudulent, in that they were accompanied by promises and statements by officials made, I believe, in perfectly good faith that the promises would be kept, but made under circumstances which would indicate that there could not be that 100 per cent compliance which should be essential in treating agreements between parties such as the Federal Government on one side and Indians or small groups of Indian people on the other.

I referred for example to Treaty No. 8, which I happen to know, and which covers an area in which I live of some 100,000 square miles. That treaty was accompanied by a report of the Commissioners who were present and saw it signed. In the course of this report the Commissioners in reporting to the Superintendent General or the Minister in charge of Indian Affairs made this statement:

> Our chief difficulty was the apprehension that the hunting and fishing privileges were to be curtailed. The provision in the treaty under which ammunition and twine is to be furnished went far in the direction of quieting the fears of the Indians, for they admitted that it would be unreasonable to furnish the means of hunting and fishing if laws were to be enacted which would make hunting and fishing so restrictive as to render it impossible to make a livelihood by such pursuits. But over and above the provision, we had to solemnly assure them that only such laws as to hunting and fishing as were in the interest of the Indians and were found necessary in order to protect the fish and fur bearing animals would be made, and that they would be as free to hunt and fish after the treaty as they would be if they never entered into it.

Mr. Chairman, statements of that kind, in the light of what has happened since and in the light of the decision in the Sikyea case, by which the highest court of this country has confirmed that the Migratory Birds Convention Act, passed as a matter of fact some years before the last treaties were signed, are as fraudulent as it is possible to be in the case of an agreement of this kind. It is quite obvious that the rights to hunt and fish and trap have been curtailed not only as a result of increased settlement and the coming of civilization to many parts of Canada—this is something with which we cannot quarrel—but actually by Federal legislation, and that these are rights that have been substantially diminished or lost.

I maintain that if these had been agreements between two private parties any court would set them aside as being invalid and improvident, having in mind the relationship of the parties and what actually passed between them.

I have referred to the Sikyea case as a firm illustration of the decision of the Appellate Court of the Northwest Territories, and this has relation to Treaties Nos. 8 and 11, which is in effect a declaration that these treaties cannot be regarded as anything more than undertakings and promises, and not binding legally on the government; and that as such, according to the convention and constitution of practice which prevails, any Parliament is free to alter and change them. It is all very well for various courts to state, as has been stated from time to time, that the Federal Government would not change them; the fact remains that there have been changes and that Indian people have no reason to accept the statements and promises made at this time unless the legislation contains within its four corners stringent and adequate safeguards for these people is respect of those treaties. We must allay their alarm, wipe out their fears and make sure that they approach further negotiations in a far better spirit than has been the case in the past.

• (4:30 p.m.)

I do not wish to take up too much more time, as I know other Members want to participate in this debate, but I want to make this point quite clear. I suggest to the Minister and the committee that this legislation will be inadequate; it will be defective and insufficient unless it contains a provision that will permit the Indian people, either in-

dividually or in groups, to use this particular means of seeking recourse and remedy for breaches of treaties, even though these treaties can be legally broken by the Federal Government. The solemn responsibility resting upon the Government under these conditions cannot be discharged unless at this time legislation of this kind contains a provision that Indian people who have suffered in any way through failure to comply with these treaties will have an opportunity to seek recourse.

I understand, of course, that an interdepartmental committee has been established which is considering the effect of one of the decisions. I am not going to anticipate what the final decision may be in connection with the so-called medicine chest case, but there is no doubt that the Sikyea case is going to weigh very heavily upon those who carry the onus of trying to establish the rights of Indian people in that litigation. But when all these things have been decided I should like to see this legislation in such a state—it can only be done by enacting proper provisions now—that Indian people who have suffered injustices will be able to seek recourse through this means and not have to wait for this legislation to be amended later, for the Indian Act to be amended or for other provisions to be introduced.

I recognize that the facts of life are such that it may be difficult and may take a long time to bring this legislation back and secure amendments, and I suggest to the Minister that this should be an open-ended type of act. If the bill does not include such a clause I submit there should be a provision—I am not going to suggest at this time how it should read because we will have to wait until we see the bill—to the effect that people who have suffered prejudice in any way through failure to comply with the treaties will be free to apply, through an interlocutory application to a single member of the commission, for the right to have their case ventilated, considered and a decision made. I also suggest that any such provision should not be construed in a strictly legal sense.

The Minister is a lawyer, and I know he will recognize the difficulties facing the Indian people when they have to undergo the expense involved in the gathering of evidence to prepare a case for trial in the first instance for a subsequent appeal and for the final appeal to the Supreme Court of Canada. The length of time that has to be taken in considering a matter of this kind is also something which must be taken into account.

[Mr. Baldwin.]

I suggest this is an admirable vehicle by which with the proper type of wording it will be possible, after final decisions have been reached in the existing cases involving treaty rights and the obligations of the government, either in honour or in law, for the Indian people to have their grievances remedied without the necessity of having to go through the courts. I suggest this is the right vehicle for it, and I hope if such a provision is not now in the bill something will be done to meet my request before the bill is presented to us.

Mr. Barnett: Mr. Chairman, I have no hesitation whatever in expressing my own view that the question placed before the House in the resolution now under consideration is the most important matter which this Parliament will consider during its entire period of life. I listened attentively to the remarks just made by the hon. Member for Peace River, and it is evident that he shares my concern that when we see the legislation it will be adequate to do the kind of job that needs to be done. He dwelt at some length on the situation in the part of the country with which he is most familiar, and later in my own remarks I may try to illustrate the need for adequate legislation by some reference to the situation in the part of the country with which I am more familiar.

First of all, however, I should like to mention something on which the hon. Member for Peace River only touched in passing. It is because of my concern about this aspect of the legislation that I make the statement that in my view this legislation is the most significant of any we are likely to have presented to us in this Parliament. I feel that what comes out of the legislation being introduced by this resolution will have an impact upon Canada's stature as a nation in the family of nations for generations to come. In my opinion its effect for good or ill will last long after the current dialogue between the two so-called founding races of this country will have been fogotten; and the effect of the studies and findings of such bodies as the B and B commission will be dwarfed when contrasted with the significance of the bodies that will be established under this legislation. I am referring to the proposal set out in the resolution for an Indian Claims Commission and an Indian Claims Appeal Court.

If the two bodies proposed in the resolution do not do the job that it is quite obvious the hon. Member for Peace River hopes they

will do, and that I and I think most other Members of the House hope they will do, then Canada will no longer have any right or justification to hold its head high in the modern world in which we live. I think we have to view this proposal in the light of the realities of the world in which we now live; a world in which the peoples of European stock, who for so long were dominant, are now on the defensive; a world in which we are seeing the emergence of races and peoples so long subservient into a position where their right to freedom and self determination is being achieved and respected.

We have only to think of the discussions that have been going on in London between the Prime Ministers of the various Commonwealth nations to understand how significant it is that if we in Canada are to be a self respecting member of the Commonwealth we have got to take action within our own borders paralleling in statesmanship the action taken in recent years by the United Kingdom in permitting formerly subservient peoples of Asia and Africa to emerge as fully independent and equal partners in the Commonwealth of Nations. For as long as I can remember there has been a great deal of sentiment in Canada in favour of the people of such countries as India obtaining their freedom. This arises in part, of course, out of our own experience in emerging from colonial status. But it does seem to me that over the years we have taken a free and easy attitude of support for the freedom of the people of India and of other countries in Africa which have now become members of the Commonwealth, while at the same time we have been completely blind with regard to what we have been doing in respect of the freedom we won and which gives us our national stature. It seems now that for far too long we Canadians have been more concerned with the removal of the mote from the eye of Britain than we have with the removal of the beam in our own eye.

• (4:40 p.m.)

I suggest, Mr. Chairman, that our days are numbered; that the world is not much longer going to remain unaware of the situation that exists in this country in respect of the original inhabitants, whom we have so largely replaced. They are no longer going to hold us in the kind of esteem in which we are held in many quarters of the world, and which in reality we do not deserve.

I think we have to consider what this legislation is going to mean in the context of the North American situation, which is not exactly parallel to that which has prevailed in Africa or in Asia. I believe it is probably fair to say that even the Indian people themselves do not expect those of us of European descent to withdraw from this continent in the way Europeans have agreed to withdraw from many of the areas in Africa and Asia. It seems to me that the job that has to be done by this legislation, in effect, is parallel to the job which has been done by Britain in granting India her freedom and independence, and in following through by granting various other one-time colonial groups their freedom and independence.

It should be the function of the body set up by this legislation to do that job in the context of the realities of the situation, and with the objective of achieving for the Canadian people the same restoration of their basic freedoms that is being achieved by some of the other peoples in the world today. I think it is true, Mr. Chairman, to say that in the part of Canada from which I come what has happened is perhaps of more recent memory than it is in some of the eastern parts of this continent. It is possible for those of us who live in British Columbia today to talk to people who at least can tell us the stories they have heard first hand from their grandfathers as to how the European infiltration and occupation took place. For that reason perhaps we may be able to see more vividly the results of this than may be the case in the Atlantic half of the continent, where the process took place a greater number of years ago.

Perhaps I can best put before the Members of the Committee my own feeling and understanding by making some refences to a book written by one Gilbert Malcolm Sproat, whose name has now become associated with a very beautiful lake close to where I live. This book was published in London in 1868 and is entitled "Scenes and Studies of Savage Life". If the Committee will permit me I should like to quote somewhat liberally from this book, because I have not come across anything else in my own reading on the questions that are involved that sets out quite so vividly just how the Europeans went about their business, at least in the coastal areas of British Columbia. In the preface to this book Mr. Sproat says:

> I did not intend, originally, to publish these observations and have made no attempt, now, at literary ornament in producing them. Any value found in these pages will consist, I think, in their freshness and minuteness of detail, as well as in the more special consideration of social feelings, moral and intellectual characteristics and religious

notions—matters which travellers among savages, ordinarily, have not full opportunity to do justice to.

This book, which was produced about 100 years ago, indicates to me at least the state of mind of the Europeans of that time, when Britain was at the height of her colonial empire, and perhaps some of the contrasts in the terms we might be prepared to use today in discussing some of these questions. Mr. Sproat indicates, and I am quoting again:

I did not merely pass through the country. The information which I give concerning their language, manners, customs, and ways of life, is not from memory, but from memoranda, written with a pencil on the spot—in the hut, in the canoe, or in the deep forest; and afterwards verified or amended by my own further researches—

Then in the first chapter, Mr. Chairman, he describes his entry into that part of Vancouver Island where I now make my home. He sets out his experiences which led to the establishment of the first export saw mill in British Columbia, in these terms:

In August, 1860, I entered Nitinaht, or Barclay Sound, on the outside, or western, coast of Vancouver Island, with two armed vessels, *Woodpecker* and *Meg Merrilies*, manned by about fifty men, who accompanied me for the purpose of taking possession of the district now called Alberni, a name taken from the Spanish navigator who first discovered the inlet at the head of the Sound. Reaching the entrance to this inlet, we sailed for twenty miles up to the end of it—as up a natural canal—three-quarters of a mile wide and very deep, bordered by rocky mountains, which rose high on both sides almost perpendicularly from the water. The view, as we advanced up this inlet from the sea, was shut in behind and before us, making the prospect like that from a mountain lake. At the end of this singular canal, the rocky sides of which appear to have been smoothed by a continued action of moving ice upon their surface, and which itself gives an idea of having been the furrow of a mighty glacier moving downwards toward the sea, the high land on the right receded from the shore, and a large bay or basin, with a river flowing into it through level wooded land, met our view. The range of hills which opened on one side formed an elbow about ten miles distant from the canal, and crossing in a direction almost at right angles to the course of the inlet, met a continuation of the other range, and thus shut in the district known to all the Indians as the famous berry-land of Somass.

Near a pretty point at one side of the bay, where there was a beach shaded by young trees, the summer encampment of a tribe of natives was to be seen. Our arrival caused a stir, and we saw their flambeaux of gumsticks flickering among the trees during the night.

In the morning I sent a boat for the chief, and explained to him that his tribe must move their encampment, as we had bought all the surrounding land from the Queen of England, and wished to occupy the site of the village for a particular purpose. He replied that the land belonged to themselves, but that they were willing to sell it. The price not being excessive, I paid him what was asked—about twenty pounds worth of goods—for the sake of peace, on condition that the whole people and buildings should be removed next day. But no movement was then made, and as an excuse it was stated that the children were sick. On the following day the encampment was in commotion; speeches were made, faces blackened, guns and pikes got out, and barricades formed. Outnumbered as we were, ten to one, by men armed with muskets and our communication with the sea cut off by the impossibility of sailing steadily down the Alberni Canal (the prevalent breeze blowing up it), there was some cause for alarm had the natives been resolute. But being provided, fortunately, in both vessels with cannon—of which the natives at that time were much afraid—they, after a little show of force on our side, saw that resistance would be inexpedient, and began to move from the spot.

● (4:50 p.m.)

Then he goes on:

Two or three days afterwards, when the village had been moved to another place, not far distant, I visited the principal house at the new encampment, with a native interpreter.

"Chiefs of the Seshahts," said I on entering, "are you well; are your women in health; are your children hearty; do your people get plenty of fish and fruits?"

"Yes," answered an old man, "our families are well, our people have plenty of food; but how long this will last we know not. We see your ships, and hear things that make our hearts grow faint. They say that more King-George-men will soon be here, and will take our land, our firewood, our fishing grounds; that we shall be placed on a little spot, and shall have to do everything according to the fancies of the King-George-men."

"Do you believe all this?" I asked.

"We want your information," said the speaker.

"Then," answered I, "it is true that more King-George-men (as they call the English) are coming: they will soon be here; but your land will be bought at a fair price."

"We do not wish to sell our land nor our water; let your friends stay in their own country."

To which I rejoined: "My great chief, the high chief of the King-George-men, seeing that you do not work your land, orders that you shall sell it. It is of no use to you. The trees you do not need; you will fish and hunt as you do now, and collect firewood, planks for your houses, and cedar for your canoes. The white man will give you work, and buy your fish and oil."

"Ah, but we don't care to do as the white men wish."

"Whether or not," said I, "the white men will come. All your people know that they are your superiors; they make the things which you value. You cannot make muskets, blankets, or bread. The white men will teach your children to read printing, and to be like themselves."

"We do not want the white man. He steals what we have. We wish to live as we are."

These words I have quoted, and many others in this book, have brought home to me more forcefully than anything else the real situation, and what is really behind the so-called land question in B.C.; and though I would like to say a good deal more on the

subject, I hope they have indicated to the committee in some small way why I feel this is the most significant piece of legislation that we will be asked to discuss in this Parliament.

Mr. Leboe: Mr. Chairman, my remarks will be very brief, but I do want to commend the Government for bringing this legislation before us. I hope it will be passed as quickly as possible and that the joint committee it proposes will deal with its work expeditiously.

Now that we have reached this stage I hope we shall soon correct some of the errors of the past and enable the Indians to benefit from claims which have been held up for many years.

So far as compensation is concerned I hope it will be generous, because many acts committed in the past need review and correction. I am constrained to ask that the benefit of the doubt be placed on the side of the Indian, because so often we are not too relative in our thinking concerning the spending of money. A few years ago we did not hesitate for one minute to give the Canada Council $100 million, and since that time we have given it many more millions of dollars.

Based on this and other expenditures by the Federal Government, I hope the recommendations made in connection with compensation will be made from the point of view of dollars and cents, and that we will not be niggardly. I hope the main task of the commission will be quickly and effectively undertaken, and that the life of the commission will be short so the Indians can soon have the redress which has been long owed them.

[*Translation*]

Mr. Gauthier: Mr. Chairman, during the next few minutes I should like to express our satisfaction with this resolution providing for the setting up of an Indian Claims Commission.

I think that this bill, which we will have the opportunity of considering in detail, comes at an opportune time and especially that it will meet the wishes of the Indian bands which have requested for a long time, every time we have met with the chiefs or Indian band authorities, such an agency through which they could plead their case before the federal government.

I think a grave injustice was done to the Indian people when they were confined within a reserve under the supervision of a manager called a reserve administrator.

As far as I know from my own constituency—I am not speaking about Indians in other provinces—Indians are often the victims of dealings which could hardly be called fair on the part of this reserve manager who, of course, is always a white man.

I myself found that Indians had complained in vain on many occasions and they certainly had legitimate grievances against the present administration of Indian reserves.

The worse part of it was that those Indians had no way of making themselves heard by the federal authorities, except through a branch that has so much to look after throughout Canada that it does not matter much when 10 or 15 small Indian families raise their voices in the Roberval area. I myself asked the minister to conduct inquiries. And what happened? The present chief of the Indian reserve himself was asked to do it. Can you imagine? When 10 or 15 families have a legitimate complaint against the chief and finally succeed in having an inquiry set up by the federal Indian Affairs branch, we are told that the chief is conducting the inquiry. Imagine the results.

I am very happy for the people of the Indian reserve of the riding of Roberval that this commission will be established. I hope it will be independent and that a great many of its members will be Indians so that it can provide benefits to the Indian people and that it will not again be influenced somehow by politics. When the survival of a people is at stake, it is not time to play party politics. The Indian people deserve consideration because they have been very patient up to now.

Since I have been sitting here, I have made three or four interventions myself to suggest to the government means of interesting Indians or of giving a little more meaning to their lives, because if you spoke with chiefs, you would find family heads telling you that the worst thing for them is to feel that they are useless.

Some people complain that those Indians are government pensioners. They do not want to be government pensioners, they do not want to be useless in a country like Canada. The government should assist them as it assists any other association, it should help them in matters of tourism. As I said a moment ago, I am only speaking for the Indians in my riding because the only way to help the Indians of Pointe-Bleue is by promoting the tourist industry. You have there the most beautiful tourist attraction in the area but nothing has been done about

it, even though fully qualified personnel could be found within the reserve itself. If only the federal government agreed to spend a few thousand dollars to develop the tourist industry in the area. But, unfortunately, nothing is being done.

I have made three or four requests in that respect, but still nothing is being done, except forwarding the meagre pay cheques to the Indians, every month, but that does not help the economy of the area and yet, the Indians themselves would be so proud to participate in the development of Canada.

I have gone to the reserve and all those I have met said they had no way of expressing their views. I think that, through this commission, the Indian reserve will be able to submit its requests and express its views directly to the government agencies; the Indians have marvelous suggestions to make, but nothing can be done about them unless the government is aware of them.

I will no doubt have the opportunity of dealing with this again when this bill is before the house, but I wish to commend the government for introducing this resolution and I hope that the proposed legislation will be wide enough in scope to include any question which is important to the future of the Indian people in Canada.

• (5:00 p.m.)

[*English*]

Mr. Roxburgh: Mr. Chairman, I have listened with keen interest to the previous speakers and I think we can see that we are all thinking along similar lines and are, at the present at least, in full agreement, which is something new in the House of Commons. I would just like to say, as one who hunted, fished and trapped with the Indians in my younger days, that I am certainly very interested in and extremely pleased to see this resolution being brought in providing for the establishment of an Indian Claims Commission. Such a Claims Commission is very important to Indians in the various parts of Canada, and I believe it will be of significant importance to the Indians of the Six Nations Reserve, who over the years have advanced their claims against the Crown.

The Six Nations Indian Reserve, one of the best known bands of Indians in Canada, is only a short distance from my own home and I have many personal friends there. Therefore, Mr. Chairman, I would like to bring to your attention a few historical facts about the Six Nations Indians and something about their claims. The Six Nations Indians have had a long and historic association with the Crown. In fact, they fought on the side of the Crown in the War of Independence and as a result were invited to come to Canada after the close of the war. The reserve was purchased from the Mississauga Indians. It ran along the banks of the Grand River and extended some six miles on either side. It took in a large area of ground, something like 700,000 acres. The grant of land was made by Sir Frederick Haldimand in 1784 and the reserve was confirmed to the Indians by Governor Simcoe in 1793. It consisted of Haldimand, Brant, Waterloo and Wellington Counties. However, that huge territory has slowly been disposed of and today they have a reservation of some 40,000 acres in the Townships of Tuscarora and Oneida.

I would also like to point out that we have some very outstanding persons from the Six Nations Reserve. As I am a person who has been interested in athletics over the years, as many hon. Members know, the first name that comes to my mind is Tom Longboat, the great long distance runner whose achievements brought not only fame to himself but to his country, his people and the Six Nations Indians in particular. Then, of course, there is that one and only poetess, Pauline Johnson, the poetess whose beautiful and stirring ballads have been learned by generations of Canadian school children, and I sincerely hope always will be learned by Canadian school children. In the field of science there is Dr. G. C. Monture, noted Canadian mineralogist, who is another outstanding Six Nations Indian. Then there is the late Magistrate Martin who dispensed justice for both Indian and non-Indian; he was also from the Six Nations near Brantford. There are others, Mr. Chairman, but I will not enumerate them all. I am certain, from the few examples I have given of outstanding people who have come from this one reserve, that there are many Indians who will be able to contribute to the work of this Commission if given the opportunity. While the appointment of an Indian would have been possible under the previous bill, I am sure hon. Members will agree that requiring the appointment of at least one Indian will meet with the favour of Indians across Canada. I cannot stress this too much. Indeed, there were many briefs from Indians and others which suggested that this be done, and I sincerely hope the Minister will see that it is done.

• (5:10 p.m.)

I also hope that the bill will make provision for the hearing of various kinds of claims. The Six Nations have advanced claims in the past, and I have in front of me an article from the Ottawa *Journal* for December 6, 1949, describing how members of the reserve were claiming compensation for part of the reserve which, they alleged, had been disposed of by the Governor to the old Grand River Navigation Company in the 1830's. These were just clear grants, by the way, without compensation. Without doubt this bill should provide, and I sincerely hope it will, that the claims may be brought where lands were disposed of by the Crown without payment of compensation, or where the compensation was not just and reasonable. There must be some consideration along these lines of thought; you cannot go exactly to the rule of the law itself.

If such provision were made it would meet the kind of claim that the Six Nations have put forward in the past.

In addition the Six Nations have alleged that about $160,000 of their trust funds were invested in worthless Grand River Navigation Company shares by the Province of Canada, and lost to them. I sincerely hope that this bill will make it possible to bring a claim which alleges that band funds have been improperly used.

It appears to me, Mr. Chairman, that a means is being found by this legislation to deal with the old claims which have been of concern to Indians of the Six Nations reserve, and of course right across Canada, which for one reason or another they were unable to get settled in the ordinary courts. Indians in Canada, and the Six Nations Indians in particular, place great weight upon their treaties and agreements made with the Crown. They regard these agreements as solemn contracts to be honoured by both Indians and Crown, and I should add justly so. It certainly makes one feel good that at this time we have a Minister, the present Minister of Citizenship and Immigration, who truly and sincerely, as I know all hon. Members feel, has the problems of the Indians at heart. With a Minister like this and with this Commission being set up I am sure something is going to be done at least.

As far as the Indians of the Six Nations reserve are concerned, it is interesting to note that the Haldimand grant by which the reserve was granted contained the following phrase:

> —which them and their prosperity are to enjoy forever.

The Simcoe deed which confirmed the land grant contained the following expression:

> —giving and granting, and by these presents confirming to the said Chiefs, warriors, women and people of the Six Nations and their heirs, the full and entire possession, use, benefit and advantage of the said district or territory, to be held and enjoyed by them in the most free and ample manner, and according to the several customs and usages of them the said Chiefs, warriors, women and people of the said Six Nations.

That is pretty plain, is it not? We cannot get around that, and I am sure we are not going to try to. I have quoted this extract to show the nature of some of the undertakings into which the Crown entered.

Some Indians have claimed that their treaties or agreements have been broken, as was stated by some of the previous speakers. Where there are cases of this I sincerely hope that the bill will allow the Indians to bring such matters before the Commission to seek redress. I feel very sure, the way things are going, that this will be done.

There is no doubt in our minds, and we have to face this, that the Commission will have a very complex job to do, as so much of its work will be to try and determine what happened years ago, yes even before Confederation. It will need to become familiar with many of the old documents such as the ones from which I have just quoted. It will need to do research into the history of Indian tribes and their relations with government over the years. Many investigations will be required. I certainly believe the Commission should have some researchers on its staff who will be able to do this and gather information and documents for the use of the Commission. I hope that under the bill the Commission will be able to conduct investigations, and perhaps others will be designated to do this. The Members of the Commission should also visit various places across the country to hear the complaints of Indians and to collect evidence from them, thus saving the Indians travelling long distances.

It is all very fine, of course, for the Commission to do this, and we want them to do it, but what about the Indian himself? Is he in the same position to acquire all this information? Therefore I should like to suggest that the Indians may need help to get necessary documents some of which may be in the Public Archives of Canada, others in the provincial archives, and still others in various departments of Government. Some of the reserves were established long before Confederation, as I have previously stated, and

I hope that the Commission will make some arrangement whereby all these old documents are made available to the Indians. If the Commission is as sincere as we feel it is going to be, then they should make a special effort to see that the Indians have every bit of information possible so that these claims may be judged and dealt with properly.

I feel very sure that this legislation now being brought in will be a sincere attempt by the Parliament of today to make good some of the losses suffered by the Indians in the past. A great many of these losses were mentioned just a few moments ago. Therefore I believe this legislation should be supported and I hope that the Commission will be appointed as soon as possible, so it can get started on its important work. I believe we all recognize that mistakes have been made, but given a Commission which will be guided by the principles of equity and justice some of these old claims, such as those of the Six Nations Indians, can be finally settled.

I would hope that where compensation is received as a result of a claim it will be used to develop the reserves and to build them up to where the people can be fully self-supporting, a state of affairs greatly lacking today. There is some excellent farming land on the Six Nations Indian reserve, and if they put forward a claim which is successful I would hope to see more put into agricultural development, as well as industrial and other development on the reserve, employing local residents, the Indians themselves generally raising the economic well being of people on the reserve, and on reserves right across Canada.

Finally, Mr. Chairman, I would hope that as a result of this legislation the Indians will feel at last that they have been justly treated and that the mistakes that may have been made in the past have been rectified in a manner which honour and good conscience dictate.

Mr. Rhéaume: Mr. Chairman, I want to take only a few minutes to comment on the opening statement of the Minister, and to express some of the worries I have outside the provisions which the Minister said would be in the bill.

• (5:20 p.m.)

It seems to me that the provisions as outlined in the resolution and as briefly elaborated on by the Minister are fine, but perhaps I can be forgiven if I say that what we in the Opposition want are assurances. We have not seen the legislation yet and while I espouse the glowing remarks which the previous speaker has made in reference to the Minister, and while from my experience I am reasonably confident in his attitude toward the problems of Indian people in general, I should like this overlaid with some kind of assurance given by the Minister in this House, when he speaks in closing the debate on this resolution, that the outstanding claims of the Indian people are going to be settled in a fair and equitable manner.

The Minister said that the Indian Claims Commission legislation will go a long way toward renewing or re-establishing the trust of the Indian people. This is not going to be an easy task or something that is going to be done by any single piece of legislation. In view of the Indian's experience with the white man in the past, he would be foolish to trust the white man, and I believe it is going to take many years and depend on the first few steps taken by this Commission before the Indian people will trust the white man.

I can think of no better illustration of the situation than by quoting the remarks of Lieutenant Governor Morris in speaking to the Indian people of Qu'Appelle when Treaty No. 4 was signed. He was then the Lieutenant Governor of the Northwest Territories. This is what he told the Indian people, and I hope Members of this House will listen and relate these remarks to what has happened since. He said:

> Therefore, the promises we have to make to you are not for today only but for tomorrow,—not only for you but for your children born and unborn, and the promises we make will be carried out as long as the sun shines above and water flows in the ocean.

If the Minister thinks that one piece of legislation will undo the wrong, keeping that quotation in mind, and I am being slightly facetious, he is entirely wrong. Surely none of us would think that the legislation now before us is going to undo the damage which has been done by statements of that kind made at the time of the signing of these treaties. Those treaties were signed, and the promises were made, only to get the Indians to stop shooting and scalping. In nearly every part of the country the treaties were broken before the ink was dry. The words used by the negotiators were nothing but lies. I suppose the attitude adopted by many in these days, and we have come a long way since then is much the same, that it is quite a thing to put something over on the redskins. Moreover, when Lieutenant Governors made statements of that kind, following which the treaties and promises were broken, then

indeed as the hon. Member for Peace River has said, these are fraudulent documents, and at no time did the negotiators in my opinion ever intend to live up to them. The Indian people are conscious of that fact.

A few years ago a Royal Commission was set up to investigate the treaties in respect of the Northwest Territories, which were never fulfilled. I should like to read a few sentences from a report in respect of what some Indian people said:

> At a number of meetings Indians who claimed to have been present at the time when the Treaties were signed stated that they definitely did not recall hearing about the land entitlement in the Treaties. They explained that poor interpreters were used and these interpreters urged the Indians to sign, saying "It will be good for you." It was emphasized that their chiefs and head men signed even though they did not know what the Treaties contained because the Treaty parties included high government and religious officials whom the Indians trusted to look after their interests. When the Chairman pointed out that the chiefs of each band, among others, had received copies of the treaties the Indians replied that they were published in complicated English and they could not understand them.

We now have a basis for suspicion, rather than trust, which goes back many years. I say these things not to deprecate the legislation in any way—quite the contrary—but merely to point out that there is a danger in suggesting that any piece of legislation is a final solution to the Indian problem, because this problem goes back hundreds of years and is rooted in mistrust.

I hope the vehicle provided by this legislation will obviate the necessity of marches such as that which took place on the Alberta Legislature a few months ago. At that time as a result of prompting by several individuals who had a beautiful sense of political timing the Indian people of the Hay Lakes area of Northern Alberta marched on the Provincial Legislature. It is significant that this march took place on a day when a bill to grant the Indian franchise was before the Provincial Legislature. The timing was no accident, and the hurried meetings and the subsequent dispatch of senior officials to the Hay Lakes area generally has resulted, it seems to me, in there being more Government officials in that area than Indian people, with a desire to redress their grievances. As a friend of mine remarked, all this proves is that the price of baubles has gone up. In the old days trinkets were used by the white man to placate the Indians. The price has now gone up, and the articles include saw mills, D-6 caterpillars and so on.

It is to be hoped that such a vehicle as a Claims Commission will provide an opportunity for the redress of grievances, real or imagined, on the part of the Indian people. This legislation may well have another advantage which I think should not be overlooked. In the minds of many non-Indians the Government is pampering the Indian people by giving them more than they are entitled to. I am sure the Minister has been faced with the suggestion that the Indian people are being pampered and that in some way they are getting all sorts of things they should not get. Such a suspicion is detrimental to the Indian people themselves, and interferes with their being able to fill a proper role in the field of employment. There may be a side advantage to the establishment of an Indian Claims Commission in this regard. If that Commission can listen to the evidence and adjudicate in fairness it will do a great service for the cause of Indian welfare, social and economic.

I was pleased to hear the Minister state that a joint committee of the House and Senate is to be set up. Like other speakers, I have a great deal of respect for the work that has been done by Members of the other place in respect of Indian affairs. I have too, a great deal of respect for the kind of knowledge that certain Members of the other place can bring to this kind of work. I was delighted when the Minister hinted during an interjection that the Committee would be faced with a deadline of three months within which it must report. That hint makes the Minister's announcement that there will be a committee established even more interesting and exciting.

• (5:30 p.m.)

It was unfortunate that the Minister could not be more elaborate in his statement regarding the resolution on the order paper. The resolution indicates that the legislation will provide assistance to Indian bands in preparing and pursuing claims. When the Minister closes the debate on the resolution I hope he will be able to answer some of these questions. I hope that the provision of assistance in preparing and pursuing claims will include the hiring of independent legal counsel for the Indian people where necessary, and that departmental officers, even departmental legal officers, will not be advising the Indian people on the forms that are to be filled out or the legal ritual they are to follow. I cannot urge this too strongly on the Minister. In doing so I am in no way deprecating or holding suspect the approach

of the officials of the branch; on the contrary, I am quite happy with them and trust them implicitly. But I do feel it is important to make it clear to the Indian people that they may engage legal counsel and that if financial problems arise in the payment of counsel the Government will be prepared to assist them in some way.

I endorse the suggestion of the previous speaker, which is one I intended to make, that the terms of reference of the Commission include the ability to travel and take the Commission to the people. This is particularly important in the more remote areas of Canada because otherwise there will be no real satisfaction of the grievances of the Indian people.

I want to come to my main point now. I am concerned lest the proposed legislation will not include any redress of the basic grievance of the Indian people of the Yukon and Northwest Territories. The hon. Member for Peace River referred to this matter in passing and I want to mention it again. Hon. Members may know that there are two areas of Canada where there are no Indian reserves, the Yukon Territory and the Northwest Territories. There is a good reason why there are no reserves there. The treaties signed with the northern Indian people were never lived up to, even the basic requirement of giving the Indian people certain parcels of land which they could hold.

I am not urging for one second the setting up of Indian reserves in those areas. On the basis of our experience in the south I do not think this would be a wise move, nor do I believe the Indian people in the north want it. But the fact that there are no reservations there, which in my opinion is a good thing in itself, results from the complete failure of the Crown and succeeding Governments to live up to the provisions of Treaty No. 8 signed on June 21, 1899. That treaty covered parts of northern Alberta and parts of the Northwest Territories immediately south of Great Slave Lake. It involved a total area of some 480,000 square miles. The actual cash payment made to the Indian people was $26,974 or roughly $27,000.

Just in passing may I say it would probably be well for Canadians not to make joking remarks about the Dutch buying Manhattan island for $42, in view of the fact that we purchased almost half a million square miles from the Indians for less than $27,000. The treaty provided that for every five Indian families one square mile of land would be set aside. This was done for those Indian people living in the northern parts of Alberta, but for some strange reason the Indian people living just north of the 60th parallel in the Northwest Territories were never given the land to which they were entitled under the treaty. It may have been an oversight, but I rather suspect they were overlooked because of the move toward self-government from 1903 to 1905 that resulted in Saskatchewan and Alberta being carved out of the Northwest Territories.

Treaty No. 11, the second treaty, was signed on July 17, 1922. In effect it involved the purchase of 600,000 square miles of land in what is now the Mackenzie district of the Northwest Territories for just over $23,000. It too provided that the Indian people there would be given one square mile of land for every five families. This was never done. So the basic reason there are no Indian reservations in the Northwest Territories is not that it was planned that way, but results from the fact that we did not give the Indian people those things we promised them.

There are many Indian people in the north who were present when these treaties were signed. To this day they carry with them a vaguely defined but burning distrust of white officials. This has rendered the job of the Indian Affairs Branch in these parts of the north that much more difficult because the Indian people know they cannot trust the white man. They have not been able to do so since 1922, when the second treaty was signed, and they have no reason to believe they are going to be able to do so in the future. In addition, the Indians were promised that they would be able to hunt, trap and fish on unoccupied Crown land. Those were the two major provisions of the treaties affecting the northern Indians.

I want to quote a pertinent sentence from the report of Commissioner Conroy which is attached to the treaty he signed with the Indians of the Northwest Territories. He said:

> The Indians seemed afraid for one thing that their liberty to hunt, trap and fish would be taken away or curtailed but were assured by me that this would not be the case.

The two main things promised the Indians of the north were the right to hunt, trap and fish at will on unoccupied Crown lands and the setting aside of land for them. Some other things were promised such as 10 axes, five handsaws, a grindstone, the necessary files and whetstones and so on but they are not

important. One of the most important provisions was that they would be given land. Today in the Northwest Territories it is practically impossible for an Indian person even to purchase the land on which his house stands. At no time were they given land. They know they were entitled to thousands and thousands of acres of land as a reserve. They know they did not get it. They also know that when they apply for title in fee simple to the land they occupy they have tremendous difficulty getting it. Not only do the Indians have trouble in this regard but everyone else in the Northwest Territories has trouble in getting title to land. However, the injustice is particularly sharp in their case because they know they have thousands of acres coming to them.

The reason I am worried that this legislation will not be a vehicle for the Indians to get redress of this grievance is that this is not the first time the unfulfilled provisions of Treaties Nos. 8 and 11 have been looked into by governments. Indeed in 1959 the former Government set up a Royal Commission to investigate the unfulfilled provisions of Treaties 8 and 11 as they apply to the Indians of the Mackenzie district. This Commission travelled about the Territory, interviewed the Indians and made some recommendations. The difficulty was that the Government did not like the recommendations it received. When I say "Government" I am including all the officials of the various branches of the Government that have to do with the administration of the Northwest Territories.

• (5:40 p.m.)

One can see why they might not be happy with it. The Royal Commission recommended that the Indians be granted title in fee simple to the plots of land on which they now resided and the plots on which they proposed to build their homes; that a cash settlement of $20 per acre be made for each acre to which the Indians of the Mackenzie District were entitled. This would involve a multi-million dollar cash settlement because the Indians were entitled to thousands of acres. In addition to this the Commission recommended an annual payment of one half of 1 per cent of the revenue derived by the Crown from minerals, gas and oil resources in that portion of the Northwest Territories described in treaties Nos. 8 and 11.

If you total up these recommendations in dollars and cents, the Indian people could make a good case for holding up the Federal Government to the tune of $20 million for a lump sum settlement. When the Minister speaks to close this debate, I hope he will indicate whether or not this legislation will provide a vehicle for satisfying these two basic claims of the Indian people of the Northwest Territories, whose treaties were never lived up to at all.

Mr. Howard: I do not doubt for a moment but that every Member of the Committee has a very sincere desire to enact a law covering this general field introduced by the Minister and which will, in fact, bring justice to the native Indian people of Canada. Everyone who has spoken so far has indicated this, and from memory I do not recall anyone in the House every saying he was not favourably disposed to some mechanism whereby the native Indian people could find redress for their grievances. Perhaps we are activated by a sort of national guilt complex because of our knowledge of the unfair dealings with native Indian people in the past. It still remains a fact, however, that everyone sincerely wishes to do what is the just and correct thing.

I for one, however, am not agreeable to buying a pig in a poke, as the expression goes. I cannot bring myself to making any laudatory comments about a bill which I have not yet seen. The Minister's introductory remarks were far too brief in so far as the construction of the bill was concerned to permit the Committee to do anything else but hope that the bill does meet the sincere desires of everyone in the House for justice and consideration in this matter of dealing with the native Indian people. I know that at home some of the organizations of Indian people and some of the tribal councils were not in favour of Bill No. C-130 after it was introduced in December of 1963, I believe it was. After these people had an opportunity to examine Bill No. C-130, they were almost all of the view that if there were no changes in that bill, then they did not want to have any part of it. They did not believe it would bring favourable treatment to them or secure justice for their claims.

One of the major matters with which the native people are concerned is land. There does not seem to be any doubt but that the bill will pass speedily and that the Commission will be established speedily after the passage of the bill. One of the major things with which the Commission will be concerned, certainly with which the Indian people are concerned, will be the question of land. I believe it would be an error if the Commission were to be oriented entirely to the European

or non-Indian concept of what is land. It would be most desirable to have, either on the Commission or attached to the Commission, someone who had an appreciation or understanding of land from the Indian point of view. The native Indian people have a concept of land, of nature and the animal world that is vastly different from that which a European has or which Canadian society in general has. I think it would be necessary to have that idea or concept reflected in the processes of the Commission in order that they could make a fair adjudication of whatever claims are presented concerning land.

Undoubtedly Bill No. C-130 is the basis of the particular bill which will be introduced following this resolution. An indication was given two years ago when the bill was introduced, and this we all desired to have, that the bill would be introduced for the purpose of evoking a response to it and suggestions for changes in it. I presume therefore that in the consideration of this resolution it would be proper for us to express ideas about Bill No. C-130, and to express the hope that many things in Bill C-130 which were objectionable to the native people will not be included in the new bill.

Then, if I could make one or two brief references to Bill No. C-130, I would say that the word "band", was somewhat objectionable. I point out that the word "band" is an English or European word which applies to a particular grouping of native Indian people, and that the word "band" was for a time alien to the Indian social structure. If the word "band", therefore, were not contained in the bill this would be helpful, and instead we might use such words as tribes or nations. I believe these words would have application to just ordinary groups of Indian people, including individual Indians. I believe these terms would be more flexible in their relation to groupings of Indian people in so far as determining the proper group to present a claim is concerned.

I believe this idea has been presented to the Minister by the Indian people, but it is felt the Commission Chairman should be someone either from the International Court of Justice or who would be qualified to sit in that court. The reason for this is that we are not dealing with ordinary matters which come before courts in the normal course of litigation, but with law which relates more to the sphere of international law. We feel, therefore, that someone from the International Court of Justice or someone qualified to sit in that court would present to the Commission a different concept, and assure a fair and just decision of any claim. Certainly there should be Indian people represented on the Commission as well, so that someone with an intimate and inherited knowledge of Indian thinking and ideas could reflect those for the benefit of the Commission.

• (5:50 p.m.)

I also think that an anthropologist should be on the Commission, or at least employed among its staff or personnel, in order to bring that necessary profession to bear and to be able to explain, from an anthropological point of view, the historical background of Indian exploitation and ownership of land areas.

Bill No. C-130 had within it a time limit of ten years, and a time limit of two years for the presentation of claims. I am one of those who believe the Commission should expire with the last claim, or we should leave it open to a future parliament to decide when the Commission should cease to exist, because we do not have the prescience and foresight at the moment to be able to predict that ten years, or any other number of years, is sufficient to permit the hearing of all claims. In other words, there should be an open-ended tenure of office for the Commission.

When Bill No. C-130 saw the light of day a couple of years ago, the hon. Member for Comox-Alberni and I prepared a press release based upon an analysis of that bill. Perhaps with respect to what was the most important clause in that bill it might be worth while to read briefly from that press release, relating to clause 7 of Bill C-130. In that press release, which was dated December 17, 1963, the hon. Member for Comox-Alberni, who has always had an interest in Indian affairs, and I, said:

> Section 7 is the worst part of the bill because it is misleading and contradictory and sets up prohibitions which, in fact, defeat the entire purpose of the bill.
>
> It is misleading for it says that the legal rules of evidence shall not bind the Commission when it hears any claim. So far this is good because the rules of evidence demand proof or corroboration that it is not possible to provide in many of the claims which the Indian people have. But, the bill then goes on to say that there must be evidence in writing or corroborated oral evidence before the Commission can make an award.
>
> This is a two-faced attempt to mislead the Indian people into thinking that they are going to get a fair deal from the Commission. It is double-dealing of the worst sort to say that the Commission will listen to anything presented to it but will only make an award when the evidence is in writing. It is virtually impossible to get written corroborative evidence of the wrongs which

have been thrust upon the Indian people when those wrongs took place many years ago and at a time when the Indian people could not read or write or keep written records of their dealings with non-Indians.

Section 7 further provides that the Cabinet shall have final say over the procedural rules of the Commission. This should be left to the Commission to develop without any political sanction.

Section 7 also contains the provision that the Cabinet can deny the Commission access to documents which are in the possession of the Government. This could lead to the situation where, by withholding material evidence, the Cabinet could force the Commission to decide against the Indians in any claim.

I merely quoted from that because it related to Bill C-130, and I hope the provisions of clause 7 of that bill are now sufficiently altered to remove what we had as objections at that time and which, incidentally, many Indian people at home have confirmed as being their objections also, after they had the opportunity to study the bill.

There is a long history in B.C. relating to the land question because, with one or two exceptions, there were no treaties in our province. I will not bore the Chamber with details of the attempts of the Indian people, dating back to 1913 and periodically revived since that time, except to say that it is a fact that this one question, the so-called B.C. land question, is the one with which the vast majority of native Indian people in B.C. are vitally concerned and which they want to see solved. Perhaps this Commission will be able to assist them in finding the solution.

For years our Indian people have been kept in ignorance and in isolation. As recounted by the hon. Member for Comox-Alberni in his reading of the historical accounts of missionaries and the like, in the early days they were seduced by whiskey, by land grabbers, and on occasion by missionaries, men of the cloth, who assisted the land grabbers, and in some cases assisted the rum runners and the whiskey traders to seduce the Indian people and take from them by deceit and dishonesty that which they had in their possession from time immemorial.

Now with the growing feeling in Canada about Indian affairs, with the growing feeling among Indian people that they want to participate more fully in society and that they want the solutions to their long standing grievances, I think we have a chance to balance the books somewhat, to try to undo the wrongdoing, to try to correct the errors. In fact, however, we cannot do that because we cannot turn back the clock, but under this bill I hope that at least we can get ourselves going partially in that direction.

We can try to treat the native Indian person fairly, justly and honourably. These are terms he understands. Fairness, justice and honourable dealings have been his watchwords from time immemorial. They have not been the guide lines or the watchwords of the non-Indian in his dealings with Indians, but now we have a chance to make some alteration in that.

There is a great awakening taking place. Education, communications and increased transportation facilities are unifying the Indian people and amassing them into a single voice, whether we like it or not. We can hear this voice swell and erupt like a volcano and consume our history and background, our background of prejudice and discrimination, just the same as the voice of the coloured people in the United States is consuming prejudice and bigotry in that nation. Or we can hear the voice of the Indian people swell and become sonorous and confident, making Canada a nation of which we can be more proud than we are at the moment.

We in this Parliament have a responsibility we cannot shirk, a responsibility to be a prod either in one direction or the other. We can assist the Indian people along the lines of honourable activities, or we can by this bill turn them in the other direction so that their voice would be a volatile and disruptive voice, and I am sure none of us want that.

Under this bill we can be helpful or harmful. I, and I am sure the Minister also, hope that whatever we do it will be helpful.

The Chairman: Shall the resolution carry?

Mr. Watson (Châteauguay-Huntingdon-Laprairie): May I call it six o'clock, Mr. Chairman.

The Chairman: It being six o'clock it is my duty to leave the Chair so that the House may proceed to the consideration of private Members' business.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED UNDER ADJOURNMENT MOTION

Mr. Deputy Speaker: Order. It is my duty, pursuant to provisional Standing Order 39A, to inform the House that the questions to be raised at ten o'clock p.m. this evening are as follows: The hon. Member for Winnipeg North (Mr. Orlikow)—Royal Canadian Mounted Police—reported statement respecting instructions in wire tapping; the hon.

Member for Winnipeg North (Mr. Orlikow)—Canada Labour Code—application of minimum wage to federal work under contract; the hon. Member for Halifax (Mr. Regan)—education—Nova Scotia—request for increased grants to universities.

Mr. Deputy 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.

TRADE

PROMOTION OF TRADE WITH EASTERN CARIBBEAN FEDERATION

Mr. Heath Macquarrie (Queens) moved:

That, in the opinion of this House, the government should consider the advisability of establishing free trade between Canada and those West Indies islands comprising the proposed Eastern Caribbean Federation.

• (6:00 p.m.)

He said: Mr. Speaker, I am happy to have the opportunity to discuss a subject which has been close to my heart for some time. Indeed, as I was thinking of this motion and the debate thereon I looked back through *Hansard* and saw last session's motion, and I was so impressed by my own arguments there, indeed convinced by them, that I was wondering whether there was anything I could say this year but "ditto".

I am somewhat disturbed by the rapidity with which the hands of the clock are moving before me; I had no idea that I was able to consume time with such vigour. The subject of trade with the West Indies Islands or a portion of them is not a new one in this House—

Mr. Barnett: Mr. Speaker, in view of the remarks just made by the hon. Member for Queens (Mr. Macquarrie), perhaps we should say that the clock we see shows past ten o'clock, while in fact it is only a few minutes after six o'clock.

Mr. Macquarrie: I must say, Mr. Speaker, that the hon. Member will think it is later still before I am through. But as long as no one calls it ten o'clock when I am making an impressive peroration, I will not be disturbed by the faulty mechanism above. I was about to say, Mr. Speaker, that when I came here in the twenty third Parliament the President of the Privy Council had a motion on the order paper in the phraseology of mine, except that I have restricted the area geographically. It is appropriate that a Maritimer should be interested in this subject because we have had close relations with the people of the West Indies for a long, long time. Perhaps it is particularly appropriate that one from an island should be discussing the economics of the people who live in other islands. But I am thinking, too, today that there is something appropriate in directing our attention to this part of our hemisphere as we follow with care and concern the deliberations in London of our own Prime Minister (Mr. Pearson) and his colleagues at the Commonwealth Prime Ministers Conference.

I should say that the Notice of Motion is restricted in the geographic sense. It is not that I have a lack of interest in Jamaica, Trinidad and Tobago and trade with those areas, but it is because the fact that the smaller islands were left out when the proposed federation collapsed, or indeed when the federation dissolved, the so-called Outer Eight, strikes me as having both a political and an economic uncertainty that should cause us, I think, as friendly neighbours, a more especial concern. The islands of Barbados, Antigua, St. Kitts, Montserrat, St. Lucia, St. Vincent and Dominica are very small. The largest of all the group, Barbados, has less than a quarter of a million people, and Montserrat has just a little over 13,000. Generally speaking they have great difficulty in maintaining an economic viability. Most of them are obtaining direct assistance in their budgetary revenues from the United Kingdom. As has been said, this is a collection of islands of 13,000 square miles, but while the area is small, the problems are large; poor soil, shortage of water, lack of proper facilities, roads and airports, shortage of skilled labour, the crying need for assistance in their effort to approach something like self-sufficiency, and a pressing problem of overpopulation. All too briefly these are some of the economic facts of life of this part of the world.

Our trade with the region has been important. Figures which I have obtained from the Department of Trade and Commerce are interesting. It is hard to sort these out, but studies have indicated that the trade of the Atlantic region with the West Indies generally, and with this area in particular, is significant. The exports to the islands I have in mind for promotion totalled $6,600,000 in 1963. In 1964 this rose to $7,986,000. This is a substantial increase. The imports, however, dropped from $2,202,000 to $1,025,000 between 1963 and 1964. Naturally this would be of some concern to the people of the islands.

There are reasons why the figures should be going up at a higher rate. I would like to touch upon them briefly. I want to be brief, Mr. Speaker, because I would like to hear the views of other of my colleagues. Certainly these areas are close to us; perhaps they are not as close as they were in the past in the days of water transportation and communication, but we should be overcoming that now by the installation of direct air service. This has been a long time coming, but I rejoice to learn that we are to have direct air service from the Maritime region to the area in question.

We have had a long standing relationship, in the treaty sense, with the West Indies. I would point out to the House that when we had a Maritimer as Prime Minister and another as Minister of Trade and Commerce things got moving in this direction. Our first agreement with the West Indies was signed by Sir George Eulas Foster, Minister of Trade and Commerce in Sir Robert Borden's Government. This was updated in 1926 and it is a reasonably generous treaty under which we now operate. There are some difficulties and restrictions in it, but generally speaking there is no great barrier to expansion.

I find that there are complaints—and this is not confined only to the West Indies area —about the lack of initiative of Canadian businessmen. We find that in certain products the competition from the western Europeans and the Americans is taking some of our markets, and vigorous promotions would be helpful. I was delighted to read in the Halifax *Chronicle-Herald* just today that the potato has become a status symbol down in Barbados. Coming from the land of the finest potatoes I was delighted to hear this. Mr. Frank Doyle, the Executive Editor, who is down in Barbados, says that the people there are turning more and more to the consumption of potatoes; and to give something to New Brunswick he tells us, too, that they are learning to enjoy fiddleheads. Although I am not suggesting it is competitive with rum, they are also drinking more and more apple juice from the Province of Nova Scotia. So I suppose that my concern and the concern of our Maritime colleagues is not 100 per cent altruism in this connection. We have commodities which we know they like, and which could be developed to a greater extent. We should be developing gains from our devalued dollar in this connection. We have good contacts through our universities. I remember many fine students from the West Indies in my classes at university. They were fine, bright people who represent so well this part of the world.

Our businesses have invested in this area over the years. Canada has given a measure of aid. The ships, *Federal Maple* and *Federal Palm*—interesting names—are helpful in inter-island traffic. We have built wharf facilities there, but there is much more we could do in this connection. There are great problems in the handling of ships; we need more refrigerated ships, a more regular service from the Maritimes to this area. Also we need—and I think this is quite important and impinges upon domestic policies for us in the Maritimes—greater diversification, because as the standard of living improves in the West Indian area we find that their needs and tastes for some of our primary products, such as salt fish diminishes. Therefore it is essential, it seems to me, that we have greater industrialization; that there be located in the Atlantic Provinces industries which are capable of producing efficiently for a combined Caribbean and Atlantic Provinces market. We have constantly faced the difficulty in the Maritimes and the Atlantic area of having too small a market, too restricted a base of operation. Freer trade with the Eastern Caribbean Federation would improve this condition.

• (6:10 p.m.)

Finally—and here without apology I do come to the altruistic side of the matter—we talk a great deal about our love for the Commonwealth. We are delighted to entertain and meet and talk with visiting parliamentarians. All of these little islands, even the smallest of them, have grown up in the British parliamentary tradition. We are also justly proud of the Canadian role in the international community. We consider ourselves a good member of the international community, and I think we can say that honestly. Here at our doorstep is an area where we could concentrate our attention and not have to spread it so thin, Mr. Speaker, that it would be unnoticed and perhaps ineffective.

Some day I think we Canadians will have to set up a system of priorities. We are not a great country in the sense that the super powers are. We cannot bear the burden in all parts of the world. Therefore I think we might look to an area where we are uniquely qualified because we have a similar tradition, similar language, long standing friendship and practical trade arrangements. I think it would be well if we bestirred ourselves to do something more than the conventional and ask

these people in these small communities whether they are interested in something unorthodox—an economic union with Canada. I would not even be reluctant or hesitant in suggesting, if they desired it, even a political union. If they came in as the eleventh province, no doubt their economic standards would be lower than that of the other provinces; but we Maritimers could help them there, because we have had over 90 years experience in that regard.

Here is a challenge, an opportunity. We should not think of the Caribbean only as a pleasure resort or as a place to get worried about, lest a Castro emerge, or someone like him, and threaten to take over, as in the Dominican Republic. I should like to see Canada take a meaningful role here. I should like to offer free trade to these people. Basically our economies are complementary; our ties are close. The need is great. I think this would be one fine move and a practical recognition of Canada's desire to push back the frontiers of the past and to extend the opportunity for a full and wholesome life for people with whom we are in close contact geographically, and with whom we should be closer in many other ways. I recommend this as an initial step in what I would hope would develop into a closer and closer relationship between these peoples and ourselves.

Mrs. Margaret Rideout (Westmorland): Mr. Speaker, I am very pleased to speak in support of the motion put forward by the hon. Member for Queens (Mr. Macquarrie). As a native Maritimer and a representative of the historic constituency of Westmorland, of which the City of Moncton forms a large portion, I must say that the energetic Board of Trade which we have in Moncton has visited the West Indies on various trade missions, and I am sure has been visited by West Indian delegations in Moncton. So I would wholeheartedly support this motion.

The West Indies are islands of great contrasts. Contrasts in population and language reflect their varied history, while they also differ in physical characteristics and economic development. The proposed eastern federation of the West Indies, which includes Barbados, the Leeward Islands and the Windward Islands, have a total area of 1,043 square miles and a population of 600,000, of whom 245,000 live in Barbados.

The Ministers of the islands of the proposed federation, referred to as the "Little Seven", or the "Little Eight" including Grenada, have held a number of meetings, the last in December, 1964, to draft proposals for the formation of the federation. According to reports—and I refer to the *Financial Post* of December 5, 1964—there is unanimous agreement that Barbados should be the site of the capital, and that a customs union and free trade area would be established after the beginning of the federation. The economy of the islands has in the past been based on a few agricultural products, but the present aim is to diversify production.

It is very important that we should make a determined effort to help the development of the economy of these islands. We should give every assistance we can in raising the standards of living and providing more sources of employment for the people in this part of the western hemisphere. We should also take a more active part in the efforts to establish new industries in the West Indies and in the area of the proposed federation. The hon. Member for Halifax will be talking about that in a little more detail.

Canada is almost sure to receive formal requests for help in inter-island shipping, and will most probably be asked to open its doors wider to admit skilled West Indians. Free trade, of course, requires the co-operation and consent of both parties. From what I have been able to learn it would appear that some of the leaders of the West Indies have been reluctant to commit themselves to such a trading arrangement. This is easily understood because tariff duties constitute a very important source of revenue for their governments, and free trade with Canada would tend to disturb their present gradual development.

It appears that most West Indians are not very enthusiastic about entering a free trade area or customs union with Canada at this time. They appear more actively engaged in promoting their economic growth and industrial expansion, and more interested in using tariffs as a means for development of new industries under their new legislation. We would have to be sure that, in proposing a free trade area with the West Indies, non-Commonwealth countries must be considered as well. Any arrangements which might be made with the proposed federation would have to take into consideration all arrangements we have at present with other parts of the West Indies. We are preparing and moving toward greater co-operation with these areas. Other speakers will elaborate on the programs of assistance and investment.

The Canada-West Indies trade is traditionally based on the exchange of food and

forestry products in exchange for sugar and its by-products. It could be suggested that possibly the entire Eastern Caribbean Federation might be brought into the area of the Canadian dollar and have them eventually leave the sterling bloc.

In all the islands there is a steady upward trend in the tourist trade which is one of the largest revenue-producing activities. This constitutes a drain on our international exchange payments, and if the West Indies were operating on the Canadian dollar this would be of great advantage to Canada. The recent announcement of a direct service by Air Canada from Halifax to Bermuda is just the first step, I would hope, in an effort to improve communications in the Maritime area and the West Indies.

• (6:20 p.m.)

Canada enjoys excellent trade relations and reputation in the Eastern Caribbean, which could be expanded and improved. Prospects for sales of increased varieties and quantities of Canadian products, especially foodstuffs and other consumer goods, are promising, provided we project our image as suppliers more effectively. This can be done by engaging in publicity and by more frequent visits by Canadian missions to the islands and, return visits of trade missions from the islands.

We in the Maritimes have a distinct advantage in that we can take advantage of cheaper water transportation between our Canadian ports and the ports in the Caribbean. There is also a mutual respect for one another which has been promoted over the years, which should be, I feel, of great assistance in expanding our future trade.

I should like to say in closing that I strongly support the hon. Member for Queens (Mr. Macquarrie) in his motion that the Government should consider the advisability of establishing a free trade area between Canada and those West Indies islands comprising the proposed Eastern Caribbean Federation.

Mr. Bert Leboe (Cariboo): Mr. Speaker, in taking part in this debate I should first like to say that I think the promotion of free trade is a very desirable objective, and that the motion before us is quite restrictive and does leave room for remarks to be made relative to trade in a general way. It is in that light that I hope to deal with this motion.

I have been appalled on many occasions to hear people speaking of trade as though it is something which makes people rich. There is nothing further from the truth. Trade never made anyone richer because there are two-way transportation costs involved. The only time trade could make someone rich is when it is designed in such a way that horses are being traded for rabbits, and we are not considering that kind of a trade arrangement with the West Indies, or any other place.

I am sure the time will come when we will have an arrangement whereby an international assessment is made in respect of the values of commodities to be traded internationally. Once we get our attention focused on the fact that when we ship goods from Canada, we must import goods to balance our trade, we will have a clearer understanding of the situation. If we are going to put high prices on our goods for export and low prices on the goods we import, then Canada will benefit, but I do not believe that is the type of benefit we want in the world today. If we are going to ease tension, be better understood and be the good neighbours in the world community that we ought to be, we must make certain that when we trade with other nations, be it the West Indies or any other country, we must give value for value in the goods we trade.

In terms of trade, it is necessary in respect of some of these countries to make certain that proper credit arrangements are made so that production machinery and other things necessary to the production of certain commodities in those countries are available. Many of the primary products of various countries are exported at values that do not reflect the true value of the products, as a result of which there is an aggravation of a situation which should be avoided, and can be avoided by a more generous attitude on our part.

As an example of what I have in mind, let me refer to the rubber trade between Canada and Malaysia. The price of the rubber on the boats is only half what the actual rubber is selling for. The producers of this rubber are concerned because the Polymer Corporation in Canada is getting into competition with the rubber producers.

An hon. Member: There is nothing wrong with that.

Mr. Leboe: There is nothing wrong with the situation, and the problem of the producers in Malaysia is not associated with the Polymer Corporation, but with the fact that the raw material is not bringing a price at the free-shore in Malaysia which compares favourably to the selling price.

The motion we have before us is a good one. We should extend our trade with these countries. I am sure the hon. Member who brought forward the motion was thinking in terms of the Maritimes as an exporting part of Canada. I am sure that the rest of Canada including Quebec, Ontario and British Columbia, would be glad to import more so that the Maritimes could export more of their goods, building up the economy of that part of Canada.

Mr. Winch: What about the Japanese situation and the west coast?

Mr. Leboe: I am not going to argue about what is happening on the west coast as far as Japanese trade is concerned. The west coast part of Canada is a natural trading area, but in the over-all picture we must consider where the imports are to come from, as well as what we are going to export. Trade is a two-way street. It costs money to trade and no one gets rich in this field unless, as I say, he is trading horses for rabbits.

Mr. G. D. Clancy (Yorkton): Mr. Speaker, it gives me a great deal of pleasure to speak on this motion today because I spent a great deal of my life in the West Indies, and my first speech in this House was related to that area. When the hon. Member to my left talks about the importation of rubber from the West Indies, it is my impression that he is confusing that area with the East Indies. There may be some rubber being exported from Brazil, but most of it, if not all, is going to the United States.

I feel very deeply about this subject. When we were in Government we promised the West Indies Federation a gift of two 10,000 ton freighters.

An hon. Member: They got them.

Mr. Clancy: It is true that they got them. These freighters were to be used for trade between the West Indies and Canada. I was in favour of that policy because our agricultural products and the primary products of the West Indies are complementary. We can provide products that cannot be grown in the West Indies and the West Indies can provide products that cannot be grown by us. Trade between us is a complementary complex.

In addition, Mr. Speaker, we have the great waterways and the ports of Halifax and Saint John. The West Indies grow grapefruit which is in season six weeks ahead of Florida grapefruit, but do we receive any of it? We do not receive any at all, because this is a controlled item.

• (6:30 p.m.)

Every Government that has been in office here in Ottawa has been afraid to move in the direction of trade concessions with the West Indies. What have these Governments been afraid of? Has their fear involved a question of immigration? We have the advantage of good will in respect of trade with this area, with its large population. They have bought salted fish for years. The Portuguese used to catch it off Newfoundland, salt it and then take it to the West Indies and sell it. That was slave food.

Times are changing. If we want to keep our trade with these islands, let us buy from them. The Americans are outselling us and outadvertising us. Why not advertise Canadian flour? Why not send somebody there who knows how to advertise? Have you ever seen that big sign—

Mr. Bell: A tiger in the tank.

Mr. Clancy: A tiger in your tank. The Americans put a brand in there and the people will not buy anything else. We produce the best flour there is.

Mr. Walker: May I ask the hon. Member a question? Has he seen the other sign at a rival gas station that says, "Come in and get the tiger fluff out of your carburetor"?

Mr. Clancy: That is fine. You are quite right. I could give you the other side of the story too.

I feel very deeply about this matter. I have had some experience in business, and basically the argument is that we not only have a market there for our goods but we have a market here for their goods. We now have friendly relations, but the day may come when there will be another Cuba. Why let it go that far? We have a market here for their goods and they have a market for our goods and we can set a fair price. So what are we talking about? Some guy growing apples in British Columbia figures it is going to hurt him. There are no apples grown in the West Indies. As a matter of fact, if you know the West Indies you know that whereas in Canada children get an orange in their stockings at Christmas, the fact is that in the West Indies there is an apple in the bottom of the stocking. An apple is a luxury there. Let us give them a break.

We built the seaway, and I was one of those who really believed in the expenditure. I said that it would bring West Indies produce into the heart of our land. I really believed that. I am very disappointed but I think we

can always change. So I am going to say: Let us have 100 per cent reciprocity with the West Indies. I do not include Bermuda or one or two of the other islands because they are off shore from Miami and are just as American as the people on the mainland.

Mr. Bell: British.

Mr. Clancy: British? Listen to their accents. I simply say: Why should we not establish proper trading relationships with people whose products do not compete with ours? We do not grow limes in Canada or oranges or grapefruit. We do grow some tea in British Columbia but you cannot drink the stuff. I simply say: Why not go all out for greater trade? The Liberal party is supposed to be the free trade party. They were going to do great things, but every time they propose a bill it is another restriction. That is all I can say. If you want to balance our trade, then all I say is that we can sell to these islands as cheaply as our competitors but let us let them sell something to us. Let us not bring everything into Canada from Florida and California.

[*Translation*]

Mr. Raynald Guay (Lévis): Mr. Speaker, you will be somewhat surprised to see a member of the province of Quebec take part in such a debate, but my reasons are similar to those which prompted hon. members from the Maritimes to speak; the interests of Canada and satisfactory international trade throughout the world.

Indeed, as Canadians, we should be interested in the improvement of the economy in this part of the West Indies. We are therefore convinced that if our trade (exports-imports) with those islands increased, it would be beneficial for commerce, industry and the economy; in particular, traffic would increase considerably in the harbours of the Maritimes and even those of Quebec.

As stated by the member for Westmorland (Mrs. Rideout), the economy of those islands is based on the agricultural and tourist industries.

With regard to the trade relations between Canada and the West Indies, it should be kept in mind that a definite situation already exists, since our trade relations are still subject to the 1926 agreement between Canada and the West Indies.

Under that agreement the West Indies grant Canada specific preferential tariffs on certain commodities. Under a general provision, tariffs on Canadian goods must not exceed certain percentages of the tariffs applicable to the most favoured nations.

In return, a number of West Indian products are allowed into Canada duty free, except sugar, tobacco and liquor, and preferential tariffs apply to almost all other imports liable to duty, including sugar.

In addition, Canada has generally agreed, with regard to all merchandise not listed in the agreement, that import duties on West Indian products must never exceed 50 per cent of the general tariff of Canada. Therefore, there is a special system.

Canadian exports to the islands of the proposed federation were valued at $10,100,000 in 1962, $12,100,000 in 1963 and reached $14,900,000 in 1964. Canadian imports from the islands during those years amounted to $4,900,000, $6,200,000 and $4,900,000 respectively.

I should like to make a few suggestions here:

Canada has good trade relations with and enjoys an excellent reputation in the Eastern Caribbean and these relations should be extended and improved. Prospects are good for increasing the sale of a greater variety of Canadian products, especially foodstuffs and other consumer products, provided Canada makes itself better known as a supplier. This could be done through publicity and more frequent visits by Canadian exporters to the islands.

In order to explore fully the possibilities of closer and freer trade relations between Canada and the West Indies, all steps envisaged to improve and strengthen existing trade relations between the West Indies and Canada should be jointly examined.

Whether it would be desirable to have a Canada-West Indies free trade agreement should be considered in case the islands constituting the West Indies federation established in 1958 should unite and form a customs union.

Trade relations between Canada and the West Indies should be on the agenda of a Canada-West Indies Conference and should be discussed fully.

Here, I wonder if it would be possible to set up a customs agreement with the West Indies. First, it should be determined with what countries the agreement should be entered into, with the small or the big federation. It could be disadvantageous for Canada as well as for the West Indies. That is why I wonder if it would not be better to increase

our assistance to that area, since Canada has always helped it in the past.

For instance, Canada has built and equipped two modern vessels; it has built a residence on the campus of the Port of Spain University, and the assistance program was continued. After the federation was dissolved, we built and furnished four primary schools and put up two warehouses; we provided five of the eight islands with full deep water wharf facilities. Canada spent over $1 million on technical assistance. I think that the best method would be to recommend the setting up of a federal fund to make grants to those islands in order to help them establish basic plants with good prospects and having a direct and indirect impact on the economy of the area. Such a fund would be administered by an economic development board whose objective would be to make a complete survey of our trading potentialities with the West Indies which are close to our year round ports because the economies of Canada and of the West Indies are complementary. The board should also study the possibilities of trade with the West Indies and it should take every possible step to promote it.

I think there are exceptional opportunities that should not be overlooked. Everyone knows that the West Indies are going through a crisis at this time. They need support and now is the time to help them.

Surely, it is our duty to make financial or technical assistance available to those people or to provide for a more generous exchange of Canadian personnel or technicians to assist them. It would be in the interest of Canada to do so. We have done much, but we should do more since our country is a member of the Commonwealth and, as such, that is our responsibility toward less fortunate members.

• (6:40 p.m.)

[*English*]

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, my intervention in this debate will be as brief as my interest has been long in the general subject of the West Indies. It is a pleasure to take part in a debate which has included the hon. Member for Westmorland (Mrs. Rideout), a constituency adjoining mine, and also the hon. Member for Yorkton (Mr. Clancy) who gave us a philosophical speech that revealed his practical knowledge of the West Indies. I cannot help but comment, Mr. Speaker, on the apparent lack of interest in this subject on the Government benches. I recall a day when the President of the Privy Council (Mr. McIlraith) was a great promoter of this subject. One is forced to conclude that his interest has waned or his influence has become less.

[Mr. Guay.]

An hon. Member: That would be a wrong conclusion.

Mr. Bell: There is no one present in the House on the Treasury Benches at a time when this subject, which is so important to the Maritimes and, in fact, to the whole country, is being discussed. This subject has always invoked an interest on the part of those who represent the Maritimes. Perhaps this is the reason we have never had any success with it, the only people interested in the subject are Maritime Members. If we could somehow or other get big business to look toward the West Indies, we might be more successful in our trading relations. Visits by parliamentary groups in the last few years have increased the interest in this area. I hope they will continue on an increased basis.

I noticed that some Members from the Province of Quebec have been following the debate. I recall reading somewhere the other day that it was Jean Talon who discovered that the people of the West Indies liked codfish, while the Maritimes liked sugar, molasses and rum. However he was transferred to France before he had an opportunity to do anything about it. This shows that even in those days they recognized this was a good combination, whether the ingredients were taken separately or together.

The time is ripe to do something about this free trade with the West Indies, and for two reasons. There is considerable disorganization in the area after the loss of full federation. Second, we all know that Communism is making strides in the general area of the Caribbean. Naturally, we would be concerned if our best prospects were not put forward. The power of the region itself is growing. This is the reason Canada should not only consider the benefits of a tangible nature that would flow from this proposal but we should realize that here would be a bastion in the battle against Communism. I recall reading somewhere that we spend millions of dollars in aid to some East Asian countries, the East Indies, if you like, whereas our assistance program to the West Indies is very low. Surely, they deserve more assistance.

Another reason for supporting the area, of course, is the interest in tourism. Canadians

are investing money there and many have travelled to the West Indies on holidays during the winter season. I believe we should increase our association. Surely a Royal Commission would be in order at this stage to investigate all the possibilities, including free trade, with our partners to the south. The United States, closer and more definitely connected with the area, has moved in there with their goods and their influence. I remember the days in the Maritimes when the C.N.S. boats traded back and forth with the West Indies, and it was a great thing for us to see these vessels arrive in Saint John and Halifax—banana boats, as we called them. This form of communication with the West Indies has never been recovered. Surely now is the time for a full investigation of this problem, this free trade proposal that has been put forward by the hon. Member for Queens (Mr. Macquarrie).

In closing, I should like to take advantage of the opportunity of complimenting the hon. Member upon having the energy, the power and the drive necessary to bring this motion forward. I commend him for his eloquence, his delivery and his vocabulary during the course of his presentation to us. I hope the Government will put forward a proposal which was advanced by one of their prominent Cabinet Ministers when he was in Opposition, namely the President of the Privy Council. I feel that he must still have an interest in the West Indies, but I wonder if it has not been whittled down a little bit by the big interest of Central Canada. I commend this proposal to the House and I hope that it will not be talked out.

Mr. J. E. Lloyd (Halifax): I find it a little difficult to reconcile some of the observations made during this debate with the precise wording of the resolution put forward by the hon. Member for Queens (Mr. Macquarrie). It reads:

> That, in the opinion of this House, the Government should consider the advisability of establishing free trade between Canada and those West Indies islands comprising the proposed Eastern Caribbean Federation.

• (6:50 p.m.)

If I recall correctly some of the comments that were made, they ranged from what we would normally understand as a customs alliance with the West Indies, under which there would be no tariffs whatever on the products exchanged back and forth, to the suggestion of the hon. Member for Queens that the area might become the eleventh province. This, of course, has nothing to do with free trade. You just eliminate the necessity for that type of arrangement. He expressed, and I agree with him wholeheartedly, a genuine concern for the social well-being of the people of those islands who suffer from the lacks which he so ably described. Indeed, it is difficult to know whether the primary purpose of the resolution is an appeal to Canada for social assistance to a region with which we have had long historical associations, or whether it is hoped that we in turn might get a reduction in the price of sugar, as suggested by the hon. Member for Saint John-Albert (Mr. Bell) who, when he was speaking, referred to Central Canada exploitation, and in this context mentioned an examination of what the sugar trade means to these islands.

So the debate ranged, including tigers in the tank, as referred to by the hon. Member for Yorkton (Mr. Clancy), and we had an observation from the hon. Member for Cariboo (Mr. Leboe) about an examination of credit facilities.

Let us look at the facts and see what we have been doing. In the trade mission field, in order to stimulate interest both on the part of the West Indies and Canada, in the opportunities available through the material exchange of trade, a heavy construction equipment trade mission visited the West Indies in 1961. In 1962 a fish products mission, an electric equipment distribution commission and a forest products commission all went to the West Indies.

In the spring of 1963 a large scale export trade promotion drive was conducted by the Department of Trade and Commerce, which somewhat corrects the impression that may have been given earlier that the front benches on this side of the House have lost interest in this area. The facts indicate that this is not the case. On the contrary, if we continue to examine the record and the evidence of performance—not of talk—we will find there has been a great deal of realistic effort extended to promote trade with the islands of the West Indies, and indeed to do so with a great consciousness of the social needs of their people.

At the second export trade promotion conference at Ottawa, one phase of the drive I am referring to, more than 700 interviews were requested by Canadian businessmen with the Canadian Trade Commissioners in Port of Spain and Kingston, and more than 100 West Indian businessmen came to Canada to participate in another phase of the drive, and examined the products of 368

Canadian firms that manufacture consumer goods for export.

In another phase of the program industrialists and engineers from the West Indies came to Canada to visit Canadian machinery manufacturing plants. In October and November 1963 another delegation of Canadian industrialists visited Jamaica, Barbados and Trinidad, and again in October and November 1964.

Therefore it is quite clear from the activities of the Department of Trade and Commerce that interest in the development of a healthy trade relationship between the West Indies and Canada has been ably undertaken by the Minister of Trade and Commerce (Mr. Sharp), and this kind of constructive and productive effort—not talk—is what we can expect from that very able Minister.

Mr. Winch: May I ask the hon. Member a question?

Mr. Lloyd: It is not very often that I speak in this Chamber, Mr. Speaker, and I prefer that I be permitted to carry on with what few remarks I have to make. Canadian investment in the West Indies is very extensive, and recent figures indicate that in the proposed Eastern Caribbean Federation Canadians have an investment of something like $200 million.

Mr. MacInnis: On a point of order, Mr. Speaker; since the hon. Member for Halifax (Mr. Lloyd) would not extend the courtesy to the hon. Member for Vancouver East (Mr. Winch) to permit him to ask a question, I would point out that the hon. Member is violating the rules of the House by reading from a prepared text.

Mr. Deputy Speaker: Order please. I think the hon. gentleman who has raised the point of order has not noticed that the hon. Member who has the floor was referring to notes. I do not believe he was reading these as a prepared text.

Mr. Lloyd: Mr. Speaker, there is no doubt, in keeping with established practice of the House, that when you are referring to facts and statistics and quoting figures you are permitted to be accurate about them. Some hon. Members disdain this reliable practice of the House and spend most of their time interjecting during the speeches of people who want to deal with matters factually, to get across some things which please them but which add nothing to the debate.

[Mr. Lloyd.]

Canada's assistance program has also been extensive. Some reference has been made to what the Government has not been doing, but the record is quite contrary to the assertions that have been made. I think the hon. gentleman objects to statistics because he does not want to hear about the contributions which this Government has been making to the promotion of good relations with the West Indies. For example, in 1963 a decision was taken to initiate programs in fields including education, produce storage, transportation and water distribution, and contributions in these fields were continued in 1964 when substantially more funds were made available. In fact, funds allocated to the islands during the last year were almost as high as those spent in any one previous year in the complete aid program for the Caribbean.

Mr. Winch: Author?

Mr. Lloyd: If the hon. gentleman wants to ask a question, I have got a moment or two.

Mr. MacInnis: You have talked it out.

Mr. Lloyd: If the hon. gentleman wants to ask a question he may do so if he wishes.

Mr. Winch: With only 15 seconds to go? You talk it out, not me.

Mr. Lloyd: Mr. Speaker, it requires no reference to papers to realize very simply that the kind of relationship sought for with the West Indies in trade and good neighbourliness—

Mr. Deputy Speaker: Order please. The hour assigned for the consideration of private Members' business has now expired and the House will resume the business interrupted at six o'clock.

INDIAN CLAIMS COMMISSION

PROVISION FOR ESTABLISHMENT, DUTIES, ETC.

The House resumed consideration in Committee of the following resolution—Mr. Nicholson—Mr. Lamoureux in the Chair:

That it is expedient to introduce a measure to provide for the disposition of Indian claims and in relation thereto,

1. To provide for the establishment of an Indian Claims Commission;
2. To provide for the duties of the Commission, its decisions and awards;
3. To provide for appeals from the decisions and awards of the Commission to an Indian Claims Appeal Court;
4. To provide assistance to Indian bands in preparing and pursuing claims; and
5. To enact such financial provisions as may be necessary to accomplish the purposes of the Act.

Mr. Watson (Châteauguay-Huntingdon-Laprairie): Mr. Chairman, I know all hon. Members are happy that the Government has finally taken this overdue step to create an Indian Claims Commission, which is a necessary step toward removing the distrust that remains an impediment to full participation by all Indians in Canadian life and in our present day economy.

• (7:00 p.m.)

The resolution indicates that in providing assistance to Indian bands to prepare claims, the Government has gone far beyond what was proposed in Bill C-130, which was brought before the House last year, and we all welcome this evidence that the Government will provide this assistance. The 1961 Joint Committee of the Senate and House of Commons recommended that the costs of counsel in connection with these two actions before the Indian Claims Commission be borne by the Federal Treasury. The Government has now gone considerably beyond the recommendations of this joint committee by making the resolution general enough so that a wide variety of possible expenses of Indians presenting claims will be covered.

I would like to make two or three comments on the type of expenses which I feel should be covered by this proposal. Naturally legal expenses should be covered. Also, research expenses should be covered. Travelling expenses to and from Ottawa, or to wherever the Commission may be sitting, should be covered. I would go even further and say that when Indians have to come to Ottawa to present their claims and spend a week or more away from their jobs—or even if they have to spend only two or three days away from their jobs—they should be reimbursed, if they are in full time employment, their daily wage while they are here acting on behalf of their respective bands. Provision should definitely be made for paying the expenses of legal counsel; lawyers should be adequately and properly paid. There should be combined in the provision of adequate payment for legal counsel a provision which will eliminate the excuse which some counsel may find to approach these matters on a contingency basis. I for one would not be too happy if, for example, a $10 million claim was settled in British Columbia and a lawyer collected a 10 per cent contingency fee. Unless very strict control is worked out by the Commission, this is a very real danger.

I would refer to the suggestion made by the Indian and Eskimo Association in its recommendation to the Minister. They suggested that it might be possible to make grants to the Canadian Bar Association, to be administered by it, to assist the preparation of claims. They suggested also that it might be desirable for the Canadian Bar Association to set forth for its members rules of ethical conduct in connection with Indian claims where the present rules might be thought to lack clear guidance. I think it would be highly desirable for the Commission to work out some sort of arrangement with the Canadian Bar Association to prevent a situation arising whereby a lawyer who collected a $10 million claim, let us say, on behalf of an Indian band would be paid a huge contingency fee. I would not be too happy with a result like that, and I do not think any Member of this House would be.

I hope the Government will grant to every Indian band which has a claim adequate time in which to present that claim. The two-year period in Bill No. C-130 certainly was inadequate, and I hope the proposed bill will contain a provision for a longer claim period. Once the bill is passed I hope the Department of Indian Affairs will contact and recontact every Indian band in this country which has a possible claim, so that these claims will be made within a reasonable period and without too much delay. I believe the administration should work out a system whereby perhaps at three-monthly intervals notice would be sent to every band in the country, because I feel it is most important and it will be easier in the long run for the ministry if we can get all these claims in now, and not be faced two or three years from now with demands for an extension of the period for claims.

I hope that the bill will set forth clearly that the normal rules of evidence shall not be strictly enforced with regard to claims presented to the Commission. If we applied the normal rules of evidence strictly we would find that a host of possible claims would be ineligible. Custom and tradition should be taken into consideration in support of evidence. I believe this Commission must be instructed to be flexible. A lot will depend upon the selection of the Chairman of the Commission, but it is most important that the Chairman should consider his job as being one to assist in satisfying Indian claims if at all possible. He should not approach his job in any sense of acting on behalf of the Gov-

ernment; I believe he should represent as much as possible the Indian attitude.

As far as the two Indian reserves located in my constituency are concerned, the Caughnawaga and St. Regis Reserves, I would urge the councils to submit as soon as possible any possible claims they may have. I am aware that the St. Regis Reserve has claims to certain islands located in the St. Lawrence River. I am also aware that the Caughnawagans have a claim going back to the early 1800's with respect to a portion of the reserve that was sold. Probably the most important Quebec claim is the Oka Reserve claim. I would urge these Quebec bands to forward to Ottawa as quickly as possible their notice of claim, to be followed by research and a fully developed claim. The Federal Government is going to find itself in a position in which I am convinced it will be forced to pay sums of money that are really much more than anyone in this House anticipates at the moment. The Federal Government, and the British Government for it, acted in a fiduciary capacity as far as the Indians of this country were concerned, and bear responsibility for any errors made in the handling of Indian funds or Indian properties.

There are several types of claims which will be made before the Commission, the most important of course being claims for land. I think the only possible method of approach to the settlement of land claims is the payment of cash for any claim recognized by the Commission.

• (7:10 p.m.)

However, if it is at all possible I would hope other lands would be found which would compensate, partly at least, and certainly more easily satisfy the demands of the Indians in question than would strict cash payment. I hope that the Commission, if not able to make other than cash payments, do make recommendations about acquisition of other lands in lieu of cash adjustments. The question of hunting and fishing rights is also an important type of claim which will be presented to the Commission. In British Columbia many early fishing rights have been abrogated by the quota system, and I am sure this will be a very knotty problem for the Commission to handle.

One point which I feel it is extremely important to stress here is what is going to be done with funds awarded by the Commission. I suggest to the Minister that some provision be made where awards are made for fund investment in projects which could be used to the benefit of the entire band or reserve to which the award was made by the Commission. In most cases I would oppose a system of distribution of funds to individual members of the band. Surely in every single reserve in this country there are projects which normally would not be covered by the annual expenditures of the Indian Affairs Branch and which could be financed by the funds contained in an award. I certainly hope that provision will be made to make available these funds to the benefit of the whole band, rather than dividing them up between individual members who happen to be living on the reserve.

I should also like to indicate my support for the contentions of the Native Brotherhood of British Columbia. In their criticism of the original Bill C-130, section 2 (a), they argued that a claim should be permitted on behalf of organizations for an entire province or for groups of Indians not actually living on reserves. I think it is most important that when this bill is voted on it contains provision for a provincial Indian association which can make a claim on behalf of Indians in any one province.

I should also like to refer back for a moment to the type of aid which the Government can provide Indians who wish to obtain evidence to bring before the Commissioner. I should like to refer to a brief by the Union of Ontario Indians in which it was suggested, among other things, that all records in the Public Archives of Canada, Indian affairs record group No. 10, should be put on microfilm; that these documents, memoranda, letters, etc., must be individually numbered; that these microfilm records must be made available, on a known basis, to the Indian band councils; that microfilm viewers must be made available, on a loan basis, to the Indian band councils; that photostatic copies of requested documents must be made available at cost—and I would go further and say that these photostatic copies should be made available free to any Indians requesting them.

Finally, we should not lose sight of what should be paramount for every Indian in Canada, and that is his future and the future of his children. For too long our Indians have been the victims of a demoralizing combination of degrading paternalism on the part of our governments, and also the poisonous rancour of many legitimate and just grievances in the past. An unfortunate side effect of this Claims Commission will be the stirring up of many bitter memories. Attention will be focused on the past when the Indian should be looking forward to a great future within

Canada. I am confident, and I am sure it is the hope of every hon. Member here, that the Commission will contribute toward purging from our midst this unfortunate past which continues to impede the progress of our Indian population. I hope that when the Department contacts individual bands requesting that claims be forwarded, this particular point will be stressed and that the emphasis will be on the future. I hope this measure, in comparison with the most important measures of community development and education, will not obscure what is the objective of this Government, and I think of every Member of this House, namely a better life for all our Indians with full participation in our national wealth.

Mr. Willoughby: Mr. Chairman, I can assure you that what I have to say this evening will be very brief, because all I can do is endorse what has been said by the speakers who have preceded me, and also congratulate the Minister for finally bringing in this resolution, the implementation of which will provide for the Indian people that long awaited Indian Claims Commission.

This is not an argumentative subject, Mr. Chairman. Everyone is interested in the welfare of the Indian people. It is my privilege to represent 7,000 of them in my constituency. I have watched these Indian people develop over the years, and this has been an extremely interesting experience. In my opinion these people have a great potential, which has been shown on many occasions. There has been a steady improvement in British Columbia, where we now have 90 per cent of the Indian children going to school. I think that probably this is the greatest step we can undertake to improve the status of the Indian in our country.

Indian claims, of course, date back to the coming of the white man. In British Columbia they would date back at least 160 years, so this is nothing new. Their rights have been abused, there is no argument about that. Some of this has been intentional, some of it unintentional. I feel that when this bill is introduced it should have terms of reference for the Commission which will be extremely broad. This bill should be for the general welfare of the Indian, rather than just establishing a Claims Commission to settle land rights. It can do a great deal to improve the lot of Indians throughout the country. I feel its terms of reference should include the improvement of their educational advantages, I feel they should be allowed economic advice. I feel they should have agricultural assistance and that we should encourage industry among these Indian people. Many could undertake industry on their lands, which at the present time are lying dormant. I am thinking particularly of the fact that some of these areas are rich in timber interests. Something should be done to encourage these Indians to develop their own timber rights. At the present time these areas are undeveloped or are being used by outside private interests.

• (7:20 p.m.)

We must protect the Indians' hunting and fishing rights. These things should all be included in the bill to be brought down. We must assist these Indians to help themselves to become independent citizens in our communities. If we do this, these people will be a great advantage to our general economy.

Their land rights are going to be difficult to define and settle and undoubtedly this Commission will run into many problems. I can foresee that many of these claims to land on the part of Indians will actually not be submitted in writing. Many of these treaties date back to the time when Indians could not read or write. Many of these Indians who have claims to lands today still cannot read or write. Under the circumstances it would be a very serious mistake to insist that the Indians present their claims in writing. That is what happened in respect of the bill that was brought into this House in December of 1963. It stated that the Indians should present their claims in writing and, of course, in most cases that was impossible. We must see that the Indians have good legal advice, and I feel that affidavits should be acceptable to the Commission. If we are to deal fairly with the Indians affidavits should be considered as being adequate proof of claims. These claims should be supported in the form of affidavits rather than by writing in a language which the Indian does not understand.

We must give the benefit of the doubt to the Indian people. Many of them are honest in their claims, and in most cases I know they are justified in claiming rights to lands. They should be protected and given the benefit of the doubt when their claims are being considered. I look forward to this bill being presented. I have every confidence that the Minister will introduce a Bill which will be acceptable to all parties and, what is more important, to the Indian people throughout Canada. I hope we will be able to accept the bill without prolonged dispute. I am sure

the Minister will be fair to the Indians and will help them develop their future, as I am confident that with our help the Indian people can be assured a great and happy future.

Thank you, Mr. Chairman.

Mr. Herridge: Mr. Chairman, I should like to make a few remarks because of my interest in this subject.

An hon. Member: Make them short.

Mr. Herridge: The hon. Member across the aisle suggests that I should make them short. I can assure him that my remarks will be short, but because of my interest in this subject I intend to make a few remarks in expression of my support for this legislation, and in support of the remarks made by various Members this afternoon on both sides of the House.

I may say, Mr. Chairman, that I am probably the only Member of this romantic political band who can trace his ancestry back to the Indians on his mother's side. Naturally I have always been interested in this subject. I have been interested in the Kootenay Indians and have written some articles on their history. I am interested in seeing that the wrongs that have been committed by the people of this country in respect of the Indians are remedied as soon as possible. It is for that reason I want to voice my support for the resolution and its intended purpose.

I might say that I was raised and went to school with a few Indians, and I know their attitude toward our way of life. The days when you could buy wood for 75 cents a cord are gone long ago. I remember the day when you could see an old squaw sitting on the ground smoking her pipe and pulling on the end of a crosscut saw for 75 cents a cord. We have now reached a different state of affairs.

My colleague, the hon. Member for Skeena, has mentioned some of the injustices we have done to the Indians throughout history and I should like to supplement his remarks in respect of the wrongs that have been done the Kootenay Indians, and more particularly the Arrow Lakes band. I remember reading about an employee of the Hudson's Bay Company of London who was the factor at Fort Sheppard, which was on this side of the international boundary. He wrote to the Honourable Committee in London suggesting that they sent out a missionary—I think he was supposed to be an Anglican—at a cost of £100 for one year, to serve the Columbia region. The Committee considered his suggestion very carefully and wrote back that they did not think this expense was justified. The factor wrote back and stated that the Committee had completely overlooked the great value of this investment of £100 in respect of a missionary who would bring the gospel to these unfortunate natives, who, as soon as they understood the gospel and appreciated its teachings, would become aware of their primitive nakedness and dress. He suggested that as a result of this missionary work on behalf of the Company, the Honourable Committee should realize, the Company would be able to obtain all the furs of the Columbia region for a few dozen bolts of Manchester cloth. That is a good indication of how the Indian population has been abused, but fortunately those days have gone.

My hon. friend, the hon. Member for Fraser Valley, is making some remarks, but I am afraid I cannot quite hear what he is saying. I imagine they are subtle remarks not intended for *Hansard*.

Throughout the years there has been an awakening of Canadian consciousness to this question. I have discussed this question with people in my own district and other interested groups. I am one who believes that this Commission will tackle this question promptly and effectively and that a great deal of injustice will be remedied as a result of its inquiries, and recommendations. I like the terms of the resolution, as I think it provides fairly well for all aspects of the investigation which it proposes.

Some members of the Six Nations Iroquois Confederacy visited me some time ago, and informed me of their problem. In this regard I should like to quote two paragraphs of *Hansard* which were brought to my attention. Naturally these matters will all be brought to the attention of the Commission because all the Indians I understand will have an opportunity to present their views. The two paragraphs I wish to quote are very interesting and relevant to an endeavour to regain Indian rights given by pledges of the Crown, and the fulfilment of the spirit in which the Haldimand Treaty of 1874 was received. These paragraphs are from *Hansard*, and are contained in a petition which I understand was presented to the Prime Minister in 1963. The first is:

• (7:30 p.m.)

Sir John A. Macdonald, Canada's Prime Minister stated in the House of Commons in 1887 in referring to the Six Nations claim:

It is simply a question of title, and is one of a very considerable magnitude with respect to the pecuniary interests involved in the settlement of

this claim. The lands which are claimed by the Six Nations now are not in the possession of the Crown. They belong to other parties, and have belonged for many years, and it comes to this simply, that if this land belongs to the Indians and is improperly disposed of, the Province of Ontario must make compensation to these Indians for the value of these lands. Somebody has got to make a compensation for the lands have been sold or disposed of, they cannot be transferred to these Indians, because they belong to other people, and therefore, if the Indians have been wrongfully dispossessed of these lands, of course, they must be compensated either by the Dominion Parliament or the United Province of Canada or the old Province of Upper Canada. We do not know its extent, nor its value, not what was really conveyed, or promised to be conveyed, to the Indians. I feel that the red man should be protected against the white man and against their intrusions upon his rights.

That is to be found in the *House of Commons Debates* of 1887, pages 207 and 208. This matter was raised again on May 11, 1914, by the hon. Frank Oliver, and as found on page 3537 of *Hansard* he said:

But there are bands of the Six Nations Indians located on the Grand River in Ontario who, I maintain, are in a different legal position from any Indian bands who are native to the country. These Indian bands on the Grand River had their original home in the United States. At the close of the war of the revolution they emigrated to Canada and were given lands under a special treaty, not as subjects of Great Britain, but as allies of Great Britain, and I maintain that the holding of these Six Nations Indians on the Grand River is of such a kind that this Parliament has no right to interfere with it. I admit that Parliament has the power to interfere with the rights of Indians under treaty made with this Government, but I say that this Parliament has no right to interfere with a treaty made between the Imperial Government and the Six Nations Indians.

I quote these two statements because they indicate that this problem was before the House in 1887 and was again brought to the attention of the House in 1914. It has taken a long time to consider these claims of the Indians and I am very glad to know that this Commission is being appointed for that very purpose. Therefore, Mr. Chairman, with these few brief remarks I wish the Commission every success in all it undertakes to correct any injustices and in so doing lay the foundation for the further improvement and advancement of the native Indians of Canada.

Mr. McCutcheon: Mr. Chairman, I should like to comment briefly in support of the establishment of the Indian Claims Commission. I have the honour to represent an area which embraces Walpole Indian Reserve and I might point out that this reserve is quite far advanced in respect of social services, and so on. Indeed, I believe the Indians there are unique in Canada inasmuch as recently they have been granted self-government. They are master of their own destiny; they operate their own ship of state. I sometimes wonder if this is not a mixed blessing because there are many things that will have to be straightened out on this reserve. However, I have great confidence that the people there will master the difficulties which will face them in the next few months. I sometimes wonder whether, so far as the Indian Affairs Branch is concerned, the move was a matter of self-preservation from the point of view of getting rid of quite a problem and just letting the Indians operate on their own, or whether it was actually done for the advancement of the people. I prefer to think that the latter was the reason.

I have no hesitation in supporting the establishment of the Commission because I feel we owe so much to these people, particularly in my part of the country, who were our allies and friends in days gone by in the developing of this great country. Indeed, the death of that great general and ally, Chief Tecumseh, took place in my area and he is buried there somewhere. We are not just sure where, but he is there some place.

In the establishment of this Commission I hope the Government will be sincere and that the Indian people will not be led down the garden path of great political promises. At the same time I would caution the Indian people not to try to embarrass the Government with frivolous claims. I support the principle of the establishment of the Indians Claims Commission because I feel it is something that is long overdue.

Mr. Badanai: Mr. Chairman, I should like to say a few words about this legislation because within the limits of my constituency, I have an Indian reservation of which I am very proud indeed. I am proud of their accomplishments because they have taken a keen interest not only in their own affairs but also in the affairs of the community as a whole. I am naturally interested in this legislation and more particularly so because I am Parliamentary Secretary to the Minister who is introducing the legislation.

The general principle of the legislation under discussion and the reasons for establishing the Indian Claims Commission are to be commended by all Canadians. This is an important step toward the implementation of the Government's desire to do all it can to give the Indian people every op-

portunity to secure their just rights. I dare say that the Commission will hear and make recommendations with respect to a broad category of Indian claims. Indian bands or groups will be able to put forward claims, which may very well go back in time, regarding loss of lands that were reserved for Indians and for which no compensation was paid to them, the failure to discharge treaty obligations, or the improper use of band funds and generally any transactions that have taken place that may be said to have caused injury to the Indians because of the failure of the Crown to act fairly or honourably with the Indians.

The Minister's interest in the welfare of the Indian people is reflected by his being the first Minister, to my knowledge to appoint a full blooded Indian to his staff as a special assistant. As pointed out by the Minister, band councils and Indian delegations were consulted after the introduction of Bill C-130 and this has resulted in changes which are going to be incorporated in the new bill. The purpose of the legislation is to hear and determine claims of Indians and it is intended that such a Commission should be independent and have a degree of permanency.

This afternoon and evening we have heard quite a number of worth-while contributions from hon. Members in all parties in the House, and I urge every Member to support the resolution moved by the Minister of Citizenship and Immigration. This legislation means the acceptance of a legal and moral obligation by the Government of Canada to assure that Indians can have their day in court. Persons interested in the welfare of Indians will be happy to know that a start is being made toward the establishment of impartial hearings form claims, with the object in view that before more of the early Indians pass on to their reward redress for any injustices will be made.

• (7:40 p.m.)

Mr. Thomas: Mr. Chairman, may I add just a brief word to this debate. I should like to associate myself with the other Members who have joined in welcoming this legislation to set up an Indian Claims Commission. The Indians of Canada have looked forward for several years now to the establishment of this Commission. As one of those who sat on the Joint Committee of the Senate and the House of Commons for several years, I feel that this is possibly the most useful recommendation that resulted from the deliberations of that Committee. I believe from what the Indians told us during the hearings of the Committee they have always felt a considerable degree of disappointment and frustration in the way they have been treated by the Canadian Government and the Canadian people, for better than 100 years. They accepted in good faith these agreements that were made with the various sovereigns of Britain. These agreements were to run as long as the sun shone and the waters flowed. They were accepted in good faith and in simple terms.

The Indians did not understand legal terminology or the finer points of business contracts. I should like to support wholeheartedly the remarks that were made by the hon. Member for Peace River as he described how the Indians may have cause for complaint as a result of their lack of business experience and understanding of the law. I can understand their disappointment and feeling of frustration at the way these contracts have been honoured by the Canadian Government and the Canadian people.

I am glad that the Government has seen fit to put in the notice of a resolution on the order paper, item No. 4, indicating their intention to provide assistance to Indian bands in preparing and presenting claims. I hope that the Government will see fit to be really generous in this regard. I suggest that, in so far as possible, the Indian people themselves should be permitted to choose their own counsel, and the Government should be prepared to pay the cost of such counsel. I feel that this is the only way in which the Indians could really have a feeling of satisfaction and fulfilment in connection with the matters to be considered by the Indian Claims Commission. These matters are very complex, very far reaching. There is the matter of their hunting privileges, which they have always understood would never be taken away from them. However, as the hon. Member for Peace River pointed out, the Government of Canada has seen fit to make agreements and laws, such as the Migratory Birds Convention Act, which transgress the original contracts into which the Indian people entered. There is the matter of the Jay Treaty which the Indians still claim gives them the right to cross the border between the United States and Canada freely, without let or hindrance.

These things should be settled, and if possible a full explanation should be offered to the Indians so they will have a clear understanding, if their claims cannot be met, why they cannot be met. I hope that out of the work of this Indian Claims Commission the

Indians will find a feeling of satisfaction. If their claims cannot be met they will have a full understanding of why they cannot be met. I hope some of the claims can be met. I hope that the feeling of frustration the Indians have with regard to the way they have been treated will have disappeared as a result of the work of this Indian Claims Commission, and that the Indians will have their confidence restored in the Canadian Government and the Canadian people.

Mr. Patterson: Mr. Chairman, it seems as though this is one of those rare occasions upon which unanimity is reached on issues that are brought before the Committee. I appreciate the opportunity of listening to all the representations that have been made in the course of this discussion today. It seems quite a long time ago that I first heard discussions relative to the subject of an Indian Claims Commission. It has been discussed at some length in the House on various occasions. It has even found its way on to the order paper in the form of a private bill, as well as a Government order. Now it seems as though we have reached the point where something is going to be done to implement this recommendation to set up an Indian Claims Commission. Today we are certainly giving our wholehearted support to the resolution that is now before us.

I remember the measure that was introduced last year and the criticism with which it was met. Many suggestions were made and many amendments were proposed. Of course we do not know to what extent the Government has acceded to the requests for amendments or how many of them will find their way into this new measure. I had the opportunity of spending some time at an Indian conference in my own constituency just a short time ago. The question was raised as to whether or not a further opportunity was going to be given to study this bill before it was finally passed in the House. The Indian people at that convention felt it would be advisable, following second reading, for the bill to be given wide publicity and then adequate time elapse so the Indian organizations and the Indian people who are concerned about Indian problems would have an opportunity to make further recommendations and suggestions.

I raised this question some time ago in the House and I was not too sure of the significance of the answer. The Minister seemed to imply that this would not be done, that the amendments were now being considered and the bill would be carried through once we commenced these discussions. I do not know if I misunderstood him, but I just wanted to make it clear the Indian people feel they should have a further opportunity to study this measure before it is finally passed.

• (7:50 p.m.)

I shall not enumerate all the amendments that were suggested, but there are two I want to mention. It seems that the Indian people do not feel there should be a time limit on the registration of claims. In fact they feel the Commission should more or less be a permanent one, qualified to deal with claims that may arise from time to time down through the years. No doubt the Minister has given this careful, detailed study.

Another matter which is of great concern to the Indians is the rules of evidence that will be applied in submitting and processing claims. The Indian people will not be able to follow the customary rules in this respect because in many cases they do not have written documents, and their claims are based on what has been handed down to them through generations by word of mouth.

I agree with the hon. Member for Kamloops who said the Indian people should be given the benefit of the doubt in every circumstance.

The Indian people are desirous of offering suggestions and making recommendations on their own. The question was raised by them, "Are we going to accept just what the Government thinks is good for us, what the non-Indian thinks is good for us, or are we to have the opportunity to present our own views and have them implemented?" They understand their own problems best and can offer solutions for them.

During the debate my mind went back to previous references to charters. There is the workmen's charter and the veterans' charter. Would it not be a good thing to provide an Indian charter that would ensure the rights and prerogatives of the Indian people in this great country of ours?

Just recently it was revealed in Saskatchewan that some Indians had been deprived of certain rights in the health field, and the question was raised that there may be other instances of Indians having lost their rights because old treaties have been forgotten. There is growing concern over the needs of the Indian people in Canada. This is true with respect to Government, with respect to Parliament and with respect to the Canadian people as a whole, and I look forward to the

time when Indian people themselves will feel that everything possible has been done to assure them of their rights and privileges as the first citizens of this great country.

Mr. Howard: Before the resolution carries I think it is important at this juncture to see if we can get some formal indication from the Government as to the timetable, if any, it may have in mind with respect to the proposed Committee.

I would like to ask the Minister whether the government has any desire regarding the speed at which the Committee should meet? Does it have any timetable or anticipation of how long it might be before the Committee could conclude its hearings? Does it have any desire to establish a Commission within a certain period of time? Does it have any intention to circulate the bill to all Indian bands and organizations in Canada, as was done with Bill No. C-130, and does it have any intention to allow a period of time to lapse between the introduction of the bill and the commencement of Committee hearings, in order to give native Indian people the opportunity fully to examine the bill and be prepared as best they can to present their ideas about it to the committee?

Mr. Nicholson: Mr. Chairman, since we cannot get second reading of the bill without unanimous consent today, it would be my hope that we could get second reading tomorrow, and following second reading I propose to introduce a resolution proposing the appointment of a Joint Committee of both Houses of Parliament to consider the bill. Of course, we can only do our part here in that regard, and then refer it for sympathetic consideration to the other place. Perhaps I may be speaking out of turn but I propose to suggest that the membership of the committee be 14 from the House of Commons and say 10 from the other place.

If the bill gets second reading tomorrow, as I hope it will, then the Whips of the different parties could get together and nominate their respective Members within a matter of a few days.

I do not think the Government should instruct the Joint Committee of both Houses as to how it should function, but I hope it will organize itself fairly quickly. I have advised representatives of the Six Nations Indians that they will be given an opportunity to appear before the Committee, if the Committee itself agrees—as I certainly expect it will. If the Committee wants to send out copies of the bill to others that can be done.

[Mr. Patterson.]

I would point out that we are all hoping we can get away for a break in the not too distant future, and I would expect distribution of copies of the bill could take place before we recess for the summer. There should then be ample time for the Indian people and others concerned to study the bill and put forward or make such representations to the Committee as they see fit.

Mr. Howard: That answers one question, at least from the Government's point of view, but I had rather hoped the Government would delay progress on the Committee until the fall. We do not need the Committee simply to organize itself, think about the distribution of the bill, and then wait until the fall. Distribution of the bill could take place without formal organization of the Committee. The Indian Affairs Branch has all the addresses and names on addressograph plates, and could very easily send the bill out, without leaving it to the doubtful operation of a Committee as to the speed with which it wants to proceed.

• (8:00 p.m.)

I for one say it would be grossly unfair for Parliament, for a committee, for any part of Parliament or of the Senate, to proceed with speed in considering this matter, especially so far as the west coast Indian people are concerned. As the Minister well knows, they are just now embarking on the salmon fishing season, and the people there whose livelihood rests on the fishing industry will not have the time or the opportunity to study the bill carefully until some time in the fall. If there is any speed or any desire to rush this thing through at this juncture, it will simply mean, so far as the B.C. people are concerned, that they will be denied the opportunity to examine the bill fully. It would be my suggestion that the Minister might, as a matter of Government policy, simply say that it is the intention of the Government to distribute this bill to all Indian bands in Canada, all interested organizations and everybody who sent in briefs about Bill No. C-130, with an indication that the Committee will meet some time in the fall. He could make that declaration very simply.

Mr. Nicholson: Mr. Chairman, I would hope that the Committee could meet within the next week or ten days. If there is any chance of delay in the Committee meeting because of delay in the nominations to be made in the two Houses, then I can assure hon. Members that steps will be taken along the lines of those taken following the introduction of the bill in December, 1963, to

see that suitable publicity is given. There is no intention to rush this bill through without giving all interested parties the opportunity to come here and discuss it in the light of the changes that we have made or put forward.

On second reading, which I hope will be tomorrow, I will deal with the several suggestions that have been put forward today. I cannot do it properly until the bill has been made public. If for any reason this Committee should not be set up and be functioning within the next week or ten days, then the hearings could be fixed for such time in the fall as the Committee sees fit to determine.

Mr. Baldwin: Mr. Chairman, there is a suggestion I am going to throw out to the Minister that he might consider between now and the time the Committee is finally established after the other place has completed its deliberations and has given the bill second reading. We discovered during the course of the joint committee hearings that a considerable amount of delay was occasioned because of the difficulty made by various Indian people throughout the country.

I do not know what the view of the Government is with regard to this, but I know they have had representations made both orally and through letters and briefs. I assume the establishment of a Committee means that they are prepared as well to entertain representations from others appearing before the Committee, particularly of course from the Indian peoples and different bands. The Government might give consideration to including in the terms of reference the right for the Committee to adjourn from place to place. This might well expedite the hearings. I doubt whether the expense involved would be any more than the expense in connection with bringing to Ottawa from a number of areas the different witnesses who were heard before the Committee. I am not necessarily wedded to that idea, Mr. Chairman, but I have put it out for the Minister's consideration.

I was going to bring to the Minister's attention some questions that I and other hon. Members had put forward, but I take it from his answer to the hon. Member for Skeena that it is his intention when introducing the bill and asking for second reading to deal in more detail with the questions and suggestions which have been put forward, so we can relate them to the terms of the bill which will then be available. If this is the case I do not intend to pursue my questions at this time.

I also suggest to the Minister that in order to expedite second reading the Minister might indicate that the Government is not wedded too firmly to the terms of the bill as it is introduced and that they are prepared, within the limits of their responsibility as a Government, to go along with and not oppose views brought forward by the Committee and brought to the attention of the Government following the Committee hearings. It may be that the terms of the legislation as presented tomorrow may be acceptable in toto, but I am inclined to think that there will probably be some suggestions made as to change. I would hope that the Minister when speaking tomorrow on second reading would indicate the Government's view that this is not a case of "take it or leave it" and that there will be a disposition to treat this as an equitable solution of a long, long standing problem, so that the solution will be a valid, binding and generous one in every sense of that word.

Mr. Nicholson: Mr. Chairman, I thank the hon. Member for his suggestions. I can assure him that they will receive serious consideration by me and my colleagues in the Government. I would hope that, judging from the comments which have been made today, hon. Members will feel that we have included several of the suggestions referred to in today's debate. I could deal tonight with some of the points raised by the individual Members, but since it would be much more effective to be able to deal with them when the bill is before Members of the House or the Committee, I would prefer to deal with them on second reading of the bill rather than at this stage, unless hon. Members press for answers now.

Mr. Barnett: Mr. Chairman, I think there might be a disposition on the part of the Members of the Committee to agree with the last suggestion made by the Minister. I am sure that what he may have to say will be much more meaningful when we have a copy of the bill before us. While I am on my feet I would like to say that I think the two suggestions made by the hon. Member for Peace River are excellent ones and I am glad the Minister has indicated that he is prepared to give consideration to them.

My colleague from Skeena, who was a Member of the joint committee to which the hon. Member for Peace River made reference, reminded me that at the time this problem

about the expense or the facility of meeting in different places was raised, the members of that Committee who are now supporting the Government put forward the same sort of suggestion themselves. I hope the Minister will keep that in mind when he is considering this point.

Resolution reported and concurred in.

Mr. Nicholson thereupon moved for leave to introduce Bill No. C-123, to provide for the disposition of Indian claims.

Motion agreed to and bill read the first time.

CANADIAN NATIONAL RAILWAYS

MEASURE TO AUTHORIZE CONSTRUCTION OF SPUR LINE TO CANADIAN INDUSTRIES LIMITED

Hon. J. Watson MacNaught (for the Minister of Transport) moved that the House go into Committee to consider the following resolution:

That it is expedient to introduce a measure to authorize and to provide for the construction of a line of railway in the Province of Ontario by Canadian National Railway Company from a point of the Froomfield Spur near Sarnia in a southerly direction for a distance of approximately twelve miles to the property of Canadian Industries Limited in Sombra Township in the County of Lambton at a total estimated expenditure of $850,000, not to be exceeded by more than fifteen per cent.

Motion agreed to and the House went into Committee, Mr. Lamoureux in the Chair.

• (8:10 p.m.)

Mr. Benson: Mr. Chairman, the purpose of this resolution is to authorize the Canadian National Railway Company to construct out of funds within the railway company and out of their present capital budget a line of railway approximately 12 miles long running from a point commencing at mile 32 of the Canadian National Froomfield spur, extending in a southerly direction for a distance of about 12 miles to the property of Canadian Industries Limited in Sombra Township, in the County of Lambton, Province of Ontario. The estimated cost of the rail spur will be $850,000, which is the amount provided for, plus a 15 per cent provision for contingencies.

The Canadian National Railways have carried out an economic study of this particular branch line, which is designed to join the new plant of Canadian Industries Limited with the main line. The company has decided that it is an economically feasible branch line and will pay for itself within a reasonably short period of time.

[Mr. Barnett.]

The purpose of this Canadian Industries plant is the production of fertilizer. It is estimated that 400,000 tons of fertilizer per annum will be produced by this particular plant, and approximately 225,000 will pass over this branch line. The method of financing the construction, as I have mentioned, is out of the existing capital budget of the Canadian National Railways, so that this House will not be asked to vote additional funds for this purpose but merely to allow the Canadian National Railways to proceed with the construction of this new branch line.

Mr. Thomas: Just one question. Could the Minister of National Revenue tell us how long the period is likely to be before this line pays for itself?

Mr. Benson: I would rather not indicate the economic assessment of Canadian National Railways in view of the competition existing in the particular area, but I can assure my hon. friend that there are guarantees from the company involved that the line will amortize itself within a very short period.

I should also indicate there is some urgency in proceeding with this matter in that it is hoped that the new fertilizer plant will go into production on April 1, 1966. It would be very helpful if the Canadian National Railways had authority to proceed with this line in order that the construction materials for this plant could be hauled over the railway, thus providing additional revenues for the railway and also providing facilities for the manufacturers.

Mr. Howe (Wellington-Huron): Mr. Chairman, I am sure we are all interested in the fact that the Canadian National Railways are interested in building this new spur line in western Ontario. To me this pinpoints two factors: First, that the tremendous development that has taken place, which began in 1961 in the Province of Ontario and the whole Dominion of Canada, is continuing. After all, the Canadian National Railways, as the Minister of National Revenue has indicated, made an economic study and found that this branch line was economically feasible.

It also pinpoints the fact that branch lines are important in this tremendous development which we are passing through today. In the first place, Canadian Industries Limited, which is not a new company in Canada, realize that the railroad is important. Regardless of the fact that the plant they are thinking of building is served by some of the best highways in Ontario, and that the plant

is not too far away from good lake ports with access to the facilities of the St. Lawrence Seaway, which provides cheap and economic transportation, they also feel that the railroad branch lines are important to their continued development.

The second matter I should like to speak about concerns the importance of branch lines themselves. A tremendous study of transportation was made by the MacPherson Commission, which dealt extensively with the subject of branch lines. Much talk has been heard these days of a reduction in the number of branch lines, but I feel that the resolution before us pinpoints, as I say, the importance of branch lines as well as the importance of maintaining and preserving most of the present branch lines a fact which I feel the Government should stress to Canadian National Railways.

Representing as I do an area in western Ontario where there are many rumours and much talk of discontinuing branch lines, and having read the report of the Economic Council which indicates that our population and gross national product are going to increase, I feel that before there is any discontinuance of branch lines or downgrading of service Canadian National Railways or the Government should give very thorough consideration to the possibility that in this area new industry might like to develop. We are told our population will increase so that additional transportation facilities will be necessary.

As I say, in the area in which I live there is a lot of worry in small communities, towns and villages over the prospect that railways might be taken away and that some of the branch lines might be discontinued. But I feel that this particular resolution now before us indicates the importance of the railways to our economic development. There is not a community in my riding which is not worrying about ways and means of getting additional industry. That the Government is interested in this is indicated by the statement made by the Prime Minister on June 7, one paragraph of which I should like to read, because I think it is very important. As recorded at page 2023 of *Hansard* the Prime Minister said:

> With this objective we propose to establish new guide lines for the designation of areas where, under the terms of the Department of Industry Act, the industrial incentives will be made available.

We have heard a lot about designated areas and assistance which is going to be given to industry, but I feel that there are other areas in which assistance can be given to industry. In underdeveloped areas and areas where there is a crying need for industry the municipalities should be assisted by means of industrialized assessments to meet the tax rate in order to provide the schools, hospitals and roads and all the things required by a small community, just the same as in a large community. I feel that the Government should carry this proposal regarding the development of industry further afield into the area of assisting the means of transportation through some type of subsidy in order to facilitate the settlement of industry in such areas. After all, industry needs raw materials and components. This would be of great benefit to the smaller communities all throughout Ontario and Canada.

• (8:20 p.m.)

One of the matters which I feel should be discussed in the Dominion-Provincial Conference which is going to take place on July 19 is the ways and means of decentralizing industry. In this connection our railroads are necessary. So many types of industry need railroads to carry their heavy equipment and products to and from the plant. Irrespective of the fact that this involves a branch line costing $850,000 to assist Canadian Industries Limited to get their fertilizer to the markets, this is an indication of the necessity of maintaining branch lines, and probably an indication of the necessity to build more. During our period in office there were quite a number of branch lines of this type built, and this pinpoints the areas in which our railroads are necessary for the development of this great nation.

We in this party are in favour of this resolution, but the Minister did not say in introducing it whether it was to be referred to the Committee on Transport and Communications. If it is to be referred, then it will be subject to that regulation that states that Standing Order No. 99 will be amended.

Mr. Benson: Mr. Chairman, I hope, because this is a simple line to be financed out of the Canadian National Railways general finances rather than through the expenditure of public funds, it will not be necessary to refer it to a Committee.

Mr. Howe (Wellington-Huron): That puts an entirely new light on the situation and pinpoints the importance of the Minister's answering questions regarding the cost of the right of way, the tonnage to be shipped and, as the hon. Member for Middlesex West

asked, how many years is it going to take to amortize the principal sum, how much interest is involved, and all those things. These questions will all have to be answered before approval is given to this legislation.

We hope that this legislation will carry, but we also hope that the Government and the Canadian National Railways, as well as those interested in transportation in our nation, realize the importance of our railways in the development of our nation.

Mr. McCutcheon: Mr. Chairman, as one of the Members of the House closely connected with this development, being from the east part of Lambton County, of course I am delighted to learn about the development of the western part of the county. This new industrial area which is developing down the St. Clair waterfront is a continuation of that famous chemical valley area of Sarnia. This development has been brought about by a wedding of that industrial area and the richest agricultural area in Canada.

C.I.L. will be, as mentioned by the Minister, making fertilizers, ammonia and nitrates which in large part may find their way into the Essex and Kent areas of Ontario. The question in my mind at this time is this: This area is now served by a railway known as the Chesapeake and Ohio which runs from the city of Sarnia to Chatham. The right of way is in existence and the line is in good shape. Why is there a necessity to duplicate these services in this area? If the great bulk of the shipments from this town are for agricultural usage, it would seem to me to be an expense to backtrack to Sarnia, over to London and down to Chatham, Leamington, etc., where the great percentage of this material will be used.

There is one other consideration in this regard. In the same general area of Ontario the Ontario Government is building an extremely large hydroelectric power generating plant which is to be coal fired. This plant will use fantastic amounts of coal, yet I did not hear the Minister mention that the C.N.R. was going to get any of this haulage business.

There is an incongruous situation developing in Lambton County. In the past few years there has been abandonment of railroads, and one in particular which might have served this general area was abandoned two years ago. As of July 1 the Canadian National is abandoning 12 miles of railroad from Glencoe over to Alvinston.

Another consideration that bothers me at the moment relates to a new proposed parkway. I should like to go on record as not opposing this development, of course, but in Lambton County a committee has been established to study the building of a parkway from Wallaceburg through to Sarnia, a matter of about 40 miles. It is hoped that this parkway will be similar to the system of parkways now in existence in the Niagara area. It is to be located on our international boundary with the United States. It will be and is now, one of the most beautiful scenic drives on this continent.

Mr. Whelan: Next to the Detroit river area.

Mr. Winkler: All the Members from Essex are the same.

Mr. McCutcheon: This is a very beautiful driveway and I can recommend it to anyone.

My point is, will the idea of having a second railroad down the waterfront create any additional problems for that committee on the development of the parkway? The Minister shakes his head and I hope he is correct, but I can hardly see how two sets of tracks will be as easy to maintain as one set. I hope that the Canadian National Railways officials have examined this project carefully and have made overtures in respect of the existing railway to see whether its facilities could be used for part of the freight, particularly the coal to be used by the generation system which I am led to believe will be brought in by water during a good portion of the year. The result is that if this line is to receive any of the coal haulage revenue, it will be in respect of a limited portion of the year.

With that short interjection, let me say that I hope the Canadian National has examined the situation closely to see whether any other alternative which is less expensive, but efficient, could be found. I think I speak for everyone here when I say that the operation of the C.N.R. costs the people of Canada enough money.

Mr. Foy: Mr. Chairman, I just want to say a few words in this connection. I listened with interest to my hon. friend, the hon. Member for Lambton-Kent, and I should like to assure him that the railroad's spur line will not interfere or in any way be detrimental to the St. Clair parkway.

• (8:30 p.m.)

The new C.N.R. spur line is a considerable distance from the highway, as the map that has already been published will show. It is my firm belief that this is one spur or branch line that will be a tremendous money

maker and asset to the C.N.R. The Canadian Industries Limited plant ships approximately a quarter of a million tons of its product, I understand, not only to the counties of Lambton, Essex and Kent but throughout Ontario and elsewhere.

I believe that the development of the St. Clair River is something of which the people in our area will be proud and there is little doubt that as a part of the St. Lawrence Seaway it is going to play a very important role in industrial Canada. I look forward to the extension of this branch or spur line beyond what is planned at the moment. The chemical valley of Canada, as the Sarnia area is known throughout the country, is a very progressive area. There is further development every year. The expenditures of industry are fantastic. With the additional service new industries will be interested in our area.

One thing in which I am very interested at the moment is the development of the Sarnia Indian Reserve as an industrial parksite. There are approximately 3,000 acres right on the St. Clair River within the city limits of Sarnia and the Indian Affairs Branch is vitally interested in this development. The Indians are also interested. They are active in the creation of this industrial parksite which they hope to lease to industry. The more services we have in the area, the more attractive it will be for new industries to locate there. I feel that the construction of this branch line is a very welcome addition to the C.N.R. services in this area.

Mr. McCutcheon: Will the hon. Member permit a question? Have there been investigations to find out whether it would be economically feasible to use the existing railroad? Why is it necessary to build the spur?

Mr. Foy: I believe the C.N.R. Board of Directors would be businesslike enough to investigate the area to see if the Chesapeake and Ohio would be able to handle the influx of new industry. I am quite convinced they have made a survey, although I cannot tell the hon. Member they have. If he were in a position of authority with the C.N.R. I think that as a businessman he would take the same attitude. I have no doubt that this matter has been thoroughly investigated. I hope this satisfies the hon. Member.

Resolution reported and concurred in.

Mr. Benson (for Mr. Pickersgill) moved for leave to introduce Bill No. C-124, respecting the construction of a line of railway in the Province of Ontario by Canadian National Railway Company from a point at or near mileage 3.2 of the Froomfield spur of the Canadian National Railway near Sarnia in a southerly direction for a distance of approximately 12 miles to the property of Canadian Industries Limited in Sombra Township in the County of Lambton.

Motion agreed to and bill read the first time.

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

Mr. MacNaught: By leave, now.

Mr. Howe (Wellington-Huron): Are copies of the bill available?

Some hon. Members: Next sitting of the House.

The Acting Speaker (Mr. Batten): Next sitting of the House.

THE CUSTOMS ACT

Hon. E. J. Benson (for the Minister of Finance) moved the second reading of Bill C-119, to amend the Customs Act.

He said: Mr. Speaker, at the time of the resolution covering this particular bill I explained the contents of the legislation very thoroughly, I think, and we had a rather thorough discussion of those contents. However, there are one or two points which arose during the discussion at the resolution stage and I should like to comment very briefly on them. One of them had to do with the proposed amendment introducing a new section 37A of the Customs Act whose purpose is to assist Great Britain and other compact countries in the sale of their products to Canada by adopting a means of alleviating some of the difficulties which arise in determining the cost of their goods for distribution in Canada, compared with goods coming from other countries which have a similar system of distribution to that used in Canada.

One of the points raised during the debate on the resolution by the hon. Member for Edmonton West was the matter of so-called ministerial discretion included in this particular section and which I should like to point out to him is not ministerial discretion but discretion of the Governor in Council. He tried very hard to compare this provision with a situation which arose a few years ago in which ministerial discretion was being introduced into the Customs Tariff Act and

legislation brought in by the former government was subsequently refused passage by the Senate.

I should like to point out that there is a great deal of difference between the legislation now being introduced in the House of Commons and the legislation to which my hon. friend alluded. First of all, the amendments which were introduced at that time had to do with the matter of class or kind rulings in Canada. It was proposed that the Minister be given the right to rule whether or not something was of a class or kind in Canada even though such goods had never been produced in this country. In other words, it was proposed at that time that the Minister would be given the right to rule something was of a class or kind made in Canada if production facilities existed, even though the item had never been produced in this country.

Ruling something to be of a class or kind made in Canada has two implications. First of all, if it is within one of the tariff items that has a class or kind condition attached to it a higher customs duty attaches to the item.

• (8:40 p.m.)

The other, and more important part, is that if it is ruled of a class or kind made in Canada, even though class or kind is not mentioned in the particular tariff item, then dumping duties are applicable. For example, there is no reference to class or kind in Section 438(a) covering autos. If the Minister of National Revenue, under legislation to which my hon. friend alluded, if that legislation had been passed, had ruled that these were of a class or kind made in Canada, dumping duties could have been employed even though there is no mention of class or kind in that particular item.

Now, I should like to mention that there are various methods by which the value for duty, already established under Order in Council, may be appealed under the proposed new Section 37A. First, there are the same rights of appeal to the Tariff Board and Exchequer Court as exist with regard to imports as prescribed in the Customs Act under Sections 43, 44 and 45. I will remind my hon. friend that in 1962 they changed Section 43 of the Customs Act by extending the period under which an appeal could be made to the Chief Appraiser. At that time, they did not take the point of view that it did not matter whether or not such an appraisal was made. A Canadian manufacturer who, under this proposed section felt that an importer was securing a value for duty under this provision below the cost of production plus an allowance for gros profit, could appeal under existing appeal provisions. Similarly, an importer could use existing appeal provisions if he felt that the regular valuation of his goods, from which a reduction was being made under this section was too high.

The Canadian manufacturer similarly could appeal that such regular valuation, before the reduction was made, was too low. The Canadian manufacturer, if it were not feasible to use the regular appeal procedures under Sections 43, 44 and 45, could request the Deputy Minister to refer the matter of valuation to the Tariff Board under Section 46 of the Customs Act. The importer has a similar right of appeal. Finally, action by the Governor in Council is subject to appeal to the Exchequer Court on the ground that the discretion to reduce the value for duty has been recognized unreasonably. It is clear, therefore, that under this proposed section there will be the same significant rights of appeal both for the importer and for the Canadian producer to the Tariff Board and to the courts.

However, Mr. Speaker, the point I should like to make to the House is that the whole intention of Section 37A, which is being introduced into the Customs Act is to assist compact countries such as Britain in their exports to this country. While it is true that under Section 22 of the Financial Administration Act, the Governor in Council can alleviate the duties in various situations which might arise, or almost any situation if it were deemed advisable to do so, it was felt by the Government, on the urging of the British Government, that it would be more useful to write into the Customs Act a specific provision such as Section 37A which would allow the Governor in Council to use the Customs Act for alleviating the duty burden, or the unfair burden as the British have often called it, which their goods must bear rather than having to use Section 22 of the Financial Administration Act.

Hon. Marcel Lambert (Edmonton West): From the Minister's brief remarks with regard to Bill No. C-72 of 1961 it is rather apparent that the Minister, who was not then in the House, is not seized of the full import of what was being attempted at the time. I think if he consulted the debates of the day he would have found that what was being attempted at that time was precisely what is being done now, to incorporate into the legislation some-

thing which had existed by Order in Council. This business of class or kind was not something new. It had existed prior to 1936. In fact, the percentage of Canadian consumption of 10 per cent was something fixed by Order in Council in 1936. These provisions were being substantially incorporated into the Statute in 1961.

However, the point I was after was one which dealt more with the objections that were made by the Opposition of the day. Primarily, what they said was there was a denial of the right of appeal. I maintain that under Section 37A there is no true right of appeal. One can say that there are rights of appeal. However, let us examine them, and then we will see whether there are really the rights of appeal the Minister has indicated. A decision by the Governor in Council on a report by the Minister, as envisaged by Section 37A, is not a decision that the Dominion Customs Appraiser will set aside, nor will the Deputy Minister who, after all, had a great deal to do with the preparation of the report of the Minister. Certainly, we are not going to get a divided House in the Department of National Revenue. Therefore, I fail to see how, in essence, a Deputy Minister could still maintain his decision and grant an appeal to any interested party with regard to a reduction in valuation as envisaged under Section 37A.

Certainly we know that Section 37A has in mind, as its objective, really exercising a form of discrimination in favour of a certain country or countries. Conversely, I suppose we might say there is discrimination against others. Here is a specific valuation that is being set up for the reduction that is recommended by the Governor in Council, and as I indicated I do not believe the appeal to the Dominion Customs Appraiser is a true appeal. Neither is it a true appeal to the Deputy Minister. The Act would allow an appeal to the Tariff Board; that is so. However, when we come to the appeal to the Exchequer Court, the Minister must take cognizance of the wording of Section 45, wherein it is stated clearly that the appeal to the Exchequer Court of Canada relates to any question of law. Certainly, the Minister is not going to argue that the Exchequer Court is going to say that the reduction in value was unreasonable; that is a matter of discretion, not a question of law.

• (8:50 p.m.)

The only point of law, I would submit, would be if the Government moved in some fashion procedurally contrary to the provisions of the Act. But no court will substitute its discretion for that of a Minister acting within the letter of the law, nor of the Governor in Council acting according to the letter of the law. The Minister knows this, and it is my contention that there is very little room for appeal, if any, in this instance.

I can compare what is being done now with the outcry that was raised by some of the Minister's former colleagues, and some of his present colleagues, when they sat on this side of the House. The Minister of Transport (Mr. Pickersgill) and the former Minister of Justice were like the Bobsey Twins on that occasion. The debate lasted for nine days.

Sometimes hon. Members opposite wonder about legislation taking a long time to pass, but on that occasion an amendment, much the same length as this one, was discussed for nine days. Was that filibuster?

Mr. Ricard: Oh, no.

Mr. Lambert: Was that obstruction?

Mr. Ricard: Oh, no.

Mr. Lambert: They were not accused of it. The Government of the day said hon. Members were exercising their right to object and it may be that, except for administrative reasons, there was some right to object. If the Minister reads Bill C-72 I am sure he will agree with me that if the duty were to evolve upon him to determine a classification of a class or kind, it would be much easier to proceed under Bill C-72 as then proposed. The Minister cannot deny this, yet we had that great outcry. Why, it was almost a traducing of Magna Carta, hon. Members were so indignant on that occasion.

Why is there this sudden change? I am not complaining about discretion within the Act, because both under the Customs Act and the Customs Tariff Act the Minister possesses all sorts of discretion. As I indicated the other day, the counting shows there are over 60 areas in which the Minister may exercise his discretion. Introducing a further discretion at this time does not unduly worry me. What concerns me is that we are told this is subject to appeal, which I say is not a true appeal.

I shall not bore the House by reading passages from the previous debate to which I refer, but the hon. Member for Laurier of that day, and the Minister of Transport, figured prominently in it, and I think the Minister should read that debate.

Mr. Benson: I did.

Mr. Lambert: Then I hope he was educated as to how attitudes can change. It depends on what side of the House you may be on. I can only say that a lot of the protestations of that day must have been hollow. In so far as the former hon. Member for Laurier was concerned, there was a little bit of in-fighting. Mr. Deputy Speaker is the hon. Member representing Cornwall and he knows whereof I speak. There was a good deal of confusion and difficulty with regard to the textile industry in Cornwall; but let it be known that today, as a result of action taken by the administration of a few years ago, the level of activity in the textile industry is much healthier than it was in 1957 and 1958, when plants were closing.

I wonder what the textile industry may have to say if the Government is to exercise its discretion under Section 37A with regard to textiles. After all, automobiles are not the only area in which the British government has expressed its concern about Canada's anti-dumping legislation. Anti-dumping legislation is not new in this country, and certainly it was invoked in regard to textiles. Is it going to be invoked again, or is the Minister going to exercise the prerogatives of Government under Section 37A to let in British textiles to the detriment of the Canadian textile industry? This is a question which the Government will have to determine. The provision is not limited to automobiles. It covers all sorts of categories of goods, and we will see the reactions of industry in regard to these provisions.

The methods of marketing in Great Britain are different from what they are here, but the point is that Britain is selling to this country. If I may give a personal anecdote, early in the days when I was a prisoner of war we held one of the first commonwealth trade and economic conferences among a body of very informed people who were officers from various commonwealth countries. It was a highly educative and interesting experience.

I remember one old South African colonel who was a very sage man. He had discussed with British manufacturers the marketing of a simple implement, a hoe, among native farmers in South Africa. They preferred to have a red handle on the hoe, but the manufacturers said, "We don't sell our hoes with red handles in Britain and therefore we are not going to send them out with red handles." This simply meant that they would not sell any hoes to South African native farmers. It is a simple story, but it illustrates what happens in a tightly organized market such as exists in Great Britain and other countries.

If those manufacturers think they are going to sell their goods in this country, where tastes and preferences are different, in the same way as they do in their own country, then of course they will have to take their chances, and if they cannot sell them using their own marketing methods then they will have to change those methods. I do not think the answer lies in a change for valuation purposes There are two sides to this coin.

A lot of the changes proposed are eminently sensible, such as the provision of bond rather than cash. There is the recommendation of the Public Accounts Committee to regularize a practice that was actually in effect, and now this is going to be embodied in the Statute. But I still maintain that section 37A is not as simple as the Government would have us believe.

It can introduce a very dangerous principle into the Act. It does not provide the type of appeal that the Minister would have us believe is there. Therefore I enter this caveat at this time, as I did the other day, and as I shall when we are in Committee.

Motion agreed to, bill read the second time and the House went into Committee thereon, Mr. Lamoureux in the Chair.

• (9:00 p.m.)

On clause 1—*Duties to be paid unless goods are warehoused or entered in prescribed manner.*

Mr. Lambert: Mr. Chairman, with regard to paragraph (2) of clause 1, the regulations will be published in the Canada *Gazette*. I wonder whether the Minister would undertake that as soon as the necessary regulations have been passed by the Governor in Council, they will be tabled.

Mr. Benson: I will be pleased to do this, Mr. Chairman.

Clause 1 agreed to.

Clauses 2 to 5 inclusive agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the said Bill be read the third time?

Mr. Lambert: Now, by leave.

Mr. Deputy Speaker: By leave, now?

Some hon. Members: Agreed.

Mr. Benson moved the third reading of the Bill.

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

CUSTOMS TARIFF

Hon. E. J. Benson (for the Minister of Finance) moved the second reading of Bill No. C-120, to amend the Customs Tariff.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Mr. Lambert: Mr. Speaker, is the Parliamentary Secretary making some explanatory remarks with regard to this Bill?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): Mr. Speaker, this Bill provides for the implementation, without any change in substance, of the budget resolutions relating to the Customs Tariff which were considered by the Committee of Ways and Means on June 17 and 18. The clauses of the Bill are in the same order as the resolutions, and since there is no change in substance there is very little that I can add at this time that will be of assistance to the House.

Clause 1 provides for the renumbering of the Customs Tariff by Order in Council. Clause 2 provides for the deletion of certain items from the Customs Tariff and the insertion of the items which appear in Schedule A tc the Bill. Clause 3 establishes the new drawback item shown in Schedule B to the Bill. Clause 4 amends item 1220, which appears in Schedule C. Clause 5 provides for the establishment of the item dealing with periodicals, and Clause 6 relates to the coming into force of the previous clauses.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, the Parliamentary Secretary has made it appear rather deceptively simple, but I think there is more to this than he would have us believe at the moment. I am dealing primarily with Schedule D referred to in Clause 5 of the Bill. The other day I did say that I felt this was completely exclusive legislation in that a periodical which transgressed the requirements of the item would be excluded from Canada. I was wondering why a magazine with a split run and which contained more than the maximum permitted percentage of advertising directed to Canadians would be excluded from the country as though it were in the class of pornographic material. It is about in the same category. I hope I am not getting the wrong impression of the legislation, but it seems to me that this is a very heavy penalty.

If a publication, whether it be from the United States or from another foreign country, has a split run and contains certain advertising directed to Canadians, why should it be banned from Canada? Is this not a form of censorship? I quite agree with the idea of the Minister, namely to protect Canadian periodicals from the effects of the so-called split run; but surely the remedy is to impose a higher tariff or a fairly punitive customs rate. But at the present time—and I think the Parliamentary Secretary would have to answer this question—why ban the periodical entirely? I cannot quite see that. Certainly the economic impact of a higher customs impost would make it economically impractical to continue to distribute such a magazine in the country. But why ban it?

I hope the Parliamentary Secretary can put me straight, if I am wrong in my estimation of item 1221. I did not think we went quite as far as banning the circulation of such publications—any publications, as a matter of fact—which did not offend morals, were not seditious or did not offend the public interest in a similar way. Why, if there is a split run and there is a non-permitted degree of advertising directed to Canadians, should it be banned? There have been protestations that the Government does not want to impose any form of censorship, but this is censorship; at least in my interpretation of this particular item. With regard to Schedule C, I suppose this would be intended to cover collectors' items. After all, the only change in Item 1220 is in subparagraph (d), which reads:

> antique articles eligible for entry under Tariff Item 693(i) or Tariff Item 693(iii), and *bona fide* collectors' items, as determined by the Minister;

Mr. Pennell: I am sorry to interrupt the hon. Member, Mr. Speaker, but what particular clause is he now reading?

Mr. Lambert: Item 1220, subparagraph (d). The only change in the whole item is the introduction of the words "*bona fide* collectors' items", and of course this is a matter for determination by the Minister; it is dealt with by ministerial discretion.

With regard to the rest of the items as enumerated in Schedules A and B, we discussed these at the resolution stage and I will limit my remarks to Item 1221 particularly.

• (9:10 p.m.)

Mr. Deputy Speaker: If the Parliamentary Secretary speaks now he will close the debate.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, before the Parliamentary Secretary rises to reply to the hon. Member for Edmonton West (Mr. Lambert), and close the debate, I should like to ask, because I am not familiar with this, why there is no specified tariff laid down in schedule D on periodicals, catalogues, newspapers and so on, on which a duty may be imposed. Schedule A and schedule B, for example, contain specific items, and the various rates of duty are also specifically stated.

Bill No. C-120 is asking the House to authorize the Governor in Council to impose by order from time to time amendments and tariffs. I think it is something of a departure to give the Governor in Council the authority, first of all, to impose taxes without the consent of Parliament, and second, a new category of goods is brought in, such as catalogues, newspapers and periodicals. Surely it would be useful to the House, and generally, to know what the Government has in mind by way of tariff rate on these magazines, newspapers and so on.

Another interesting point in this bill is that clause 5 simply says:

> Schedule C to the said Act is further amended by inserting therein the item and enumeration of goods specified in schedule D to this Act.

I would ask if schedule D was some kind of afterthought on the part of the Government. Why do we specifically spell out the amendment to Section 17 and itemize the new schedules A, B and C, and then add a further schedule, schedule D, to schedule C? It seems a strange way to write a bill, yet it is what we find in front of us.

If it is not customary for Parliament to grant the Governor in Council the authority to impose tariffs from time to time, such as clause 1 suggests, then I should like to know why it is being done in this manner. If it has been customary in the past for the Minister or the Governor in Council to have this kind of authority which is being asked for here, then this will certainly add to my information.

I was not in the House at the time of the newspaper reports in 1960 and 1961, when the former Government brought in a bill which was going to give the Minister some discretionary power to impose tariffs from time to time on certain classes of goods, but a tremendous amount of objection was taken by the Liberal Party of the day to the effect that passing the bill would in fact give the Minister or the Governor in Council almost what you might call an executive authority to impose taxes. This is an authority which has been very religiously, if I may use that word, confined to Parliament. First of all, the House of Commons and then the whole parliamentary system are the only bodies with the right to impose taxation. I know of no other instance where a bill has gone through the House transferring this authority to the Governor in Council.

So, Mr. Speaker, when the Parliamentary Secretary replies perhaps he could explain why there is no provision as to the specific rate of tariff which will be imposed, and why the bill is written in such a way that Schedule D is simply added to Schedule C, wherein this power is transferred to the Governor in Council.

Mr. Deputy Speaker: If the Parliamentary Secretary speaks now he will close the debate.

Mr. Lambert: Mr. Speaker, on a point of order, I do not believe it has been the practice that a Parliamentary Secretary is empowered to replace the Minister who moved second reading of the bill. At any time the Parliamentary Secretary has spoken in the past it has been with the unanimous consent of the House. I do not think this is a good practice.

Mr. Deputy Speaker: The Chair is not establishing the practice now; it has been established before. The Parliamentary Secretary to the Minister of Finance (Mr. Pennell) did not make the motion but spoke on behalf of and for the Minister who made the motion. There is precedent to the effect that the Parliamentary Secretary who has made the originating speech in support of the motion, and who speaks later in reply, closes the debate.

I would refer hon. Members to a ruling by Mr. Speaker Michener, reported in the *Journals* for Tuesday, May 17, 1960. He said:

> I think I should inform the House that if the Parliamentary Secretary speaks now he will close the debate. I do so with a comment, however, because Standing Order 37 refers in express terms only to the honourable Member who has moved a substantive motion. The Parliamentary Secretary did not move this motion. It was moved by a Minister and the Minister spoke as the first speaker but I believe that one of my predecessors has assumed that the Parliamentary Secretary taking part in debate to all intents does so as though he were the mover and would be considered as such for the purpose of closing the debate.
>
> After further debate, the question being put on the said motion, it was agreed to.

I would suggest that the Chair is bound by the previous ruling of Mr. Speaker Michener.

The Parliamentary Secretary to the Minister of Finance.

Mr. Pennell: Mr. Speaker, perhaps I might deal first of all—

Mr. Deputy Speaker: Order. Is it understood that the Parliamentary Secretary is now closing the debate?

Some hon. Members: Agreed.

Mr. Lambert: With respect, Mr. Speaker, you have made a ruling.

Mr. Pennell: Perhaps it might be of interest Mr. Speaker, to hon. Members, dealing first of all with item 1220, the one dealing with offensive weapons, to note that the amendment to this item has been brought in to make the law applying to those importing firearms the same as the law applying to those who obtain firearms within Canada.

The words "form 42" are deleted from the item so that a person now importing a firearm would do so by using form 43 or form 44. Form 42 was the form which permitted a person to carry a firearm in a place elsewhere than the owner's home or place of business. Form 43 is used to apply for a permit to buy firearms for resale; and form 44 is the application form used for the registering of firearms. I do not know whether this legislation is prompted by the experience in the United States, but on form 42 there is very little provision for description of the firearm. Therefore it would be possible for a person, until this legislation is amended, to take form 42 into the United States, purchase a firearm there and bring it back into Canada, and the firearm in question would not be sufficiently identified, because, as I say, form 42 does not require a detailed description of the firearm. By this amendment we are deleting form 42 and leaving the section requiring only form 43 and form 44.

• (9:20 p.m.)

The second amendment will mean that automatic firing military type rifles will be deemed to be a firearm. The other military rifles will continue to come in under subsection (c) as rifles of standard or autoloading type for sporting use only. I think Members should bear in mind the distinction relating to firearms, as I understand it. Under the Criminal Code, firearms include revolvers, pistols, and automatic rifles which continue to fire on a single pressure.

Turning to the somewhat more contentious schedule D, and the suggestion of the hon. Member for Edmonton West (Mr. Lambert) that this might be some type of censorship, and that we should consider dealing with this problem under a higher tariff, let me suggest to him with great respect that it seems to me that his suggestion would be a censorship. We are not aiming at the prohibition of magazines from other countries by schedule D, although it does set up a prohibited list. What we are aiming at by this suggestion is the implementation of a recommendation of the Royal Commission which, and I do not say this in an offensive way, was supported by hon. Members opposite. We are attempting to implement almost verbatim a suggestion of that Royal Commission. What we are doing here is to prohibit magazines if they offend so far as their advertising is concerned.

Split or special editions are usually aimed at capturing the Canadian advertising market, and that is the sort of thing we are aiming to guard against. If a split run, so far as advertising is concerned, is directed primarily at the Canadian market then it will be prohibited. A publisher may adjust his advertising and get around this prohibition. If there had been four editions that have not offended then the fifth edition would be permitted entry into the country. It seems to me that perhaps the tariff items will not have a great effect on the circulation of the type of magazine such as *Saturday Evening Post, Harper's* and other publications which enjoy wide distribution in Canada and the United States.

Dealing with the point raised by the hon. Member for—

Mr. Lambert: Mr. Speaker, may I ask the Parliamentary Secretary a question for clarification? Is schedule D intended to absolutely prohibit the entry into Canada of that type of periodical if it offends under tariff item 1221?

Mr. Pennell: It will be prohibited momentarily, yes, if it offends; but it is open to the publisher to amend the offending advertising and gain readmission. If you read the amendment closely, you will see that any periodical which contains advertising which is primarily directed at the Canadian market but which did not appear in the identical form in all issues of the periodical distributed in the country of origin, then, of course, it would be placed on the prohibited list. I must say, however, that the publishers have been in close contact with the department and are aware of these regulations. We feel they will have no difficulty in meeting the

requirement and bringing their publications within the exception as set out, in order that they will not be prohibited.

The first part deals only with special editions. Under the second part, in respect of their regular editions, if there is more than 5 per cent of the total advertising space in the magazine used for the purpose of indicating specific sources of availability in Canada, or specific terms or conditions relating to the sale or provision in Canada, of any goods or services, except for the indication of such source of availability or such terms of conditions primarily directed to persons outside Canada, they are prohibited.

The point I want to make, as I suggested in respect of travel magazines, is that the advertising may be about Canada but directed to persons outside Canada, and therefore they will not be prohibited. These are magazines setting out the advantages of visiting Canada and are directed to people outside Canada in an attempt to induce them to come to this country. They would therefore fall within the exceptions and would not be prohibited.

The hon. Member for Medicine Hat (Mr. Olson) raised a question, if I understood him correctly, about the method of proceeding by Order in Council. My understanding is, and it will be appreciated that my experience is very limited in this matter, that under Section 10 of the Customs Tariff there may be implementation by Order in Council of certain tariff items. The method being adopted here is one which I think is in keeping with the practice, and is quite proper. All we have done here is state that the prohibited list as set out in schedule D will fall in schedule C, to the Customs Tariff and I cannot think of a more expeditious way of doing this. This is an open move with the intent and purpose being apparent on the face of the clause.

Mr. Baldwin: I should like to ask the Parliamentary Secretary a question. When one reads schedule D, 1221 (2), he will see that the first part deals with four immediate preceding issues of a periodical. Is it the intention that the words "at least" should be considered as having been inserted there? What I am getting at is, this is taxing legislation which is construed as striking against the Government. What would be the situation if of the four immediately preceding issues two were offensive in the way in respect of which the Government is trying to prohibit their entry? I am not trying to suggest that there may be a flaw, but in reading this and after listening to the explanations given by the Parliamentary Secretary, I cannot decide whether a case could be made for the argument that if two, rather than one, were found to be offensive, and this might be *reductio ad absurdum,* although plausible, it is admissible.

Mr. Pennell: I am satisfied with the wording, Mr. Speaker, but perhaps I should explain that as I understand the clause, if it is found that one publication or issue is offensive then the publisher will have to wait until four consecutive publications are deemed to be inoffensive before the fifth one is admitted. In other words, there have to be four clear publications without any infringement of the item before the fifth is admitted. If there were two publications with infractions, the four issues would be counted from the most recent one, and the fifth would be admitted.

Motion agreed to, bill read the second time and the House went into Committee thereon, Mr. Lamoureux in the Chair.

• (9:30 p.m.)

Clause 1 agreed to.

On clause 2—*Schedule A amended.*

Mr. Lambert: Mr. Chairman, with respect to Schedule A which forms part of clause 2 I note that items 209e, 210i and 263e have an effective date of December 31, 1966 compared with what I presume had been an effective date of December 31, 1965. They are the first three items in Schedule A. What is the significance of the change in the effective date? Has it something to do with production facilities or negotiations or what?

Mr. Pennell: I understand they are merely being renewed for another year and will therefore continue to December 31, 1966.

Mr. Lambert: But these are commercial chemicals. What is the purpose of this particular level of duties in so far as Canada's domestic production is concerned?

Mr. Pennell: Is item 210i one of them?

Mr. Lambert: That is one of them.

Mr. Pennell: I understand that this item covers laundry bleaches. I am not able to give the House any information as to the amount of imports, but I might say that this item was originally introduced for the period July 31, 1961 to December 31, 1963 and in 1963 was extended until December 31, 1965. Item 210i is in the reference on chemicals before the Tariff Board.

Mr. Lambert: That is the answer.

Clause agreed to.

Clauses 3 to 6 inclusive agreed to.

Schedules A to D inclusive agreed to.

Title agreed to.

Bill reported.

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

Mr. Lambert: By leave, now.

Mr. Hellyer (for Mr. Gordon) moved the third reading of the bill.

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

CONSUMER CREDIT

MOTION FOR ESTABLISHMENT OF JOINT COMMITTEE

Hon. J. Watson MacNaught (Solicitor General) moved:

That a joint committee of the Senate and House of Commons be appointed to enquire into and report upon the problems of consumer credit, more particularly but not so as to restrict the generality of the foregoing to enquire into and report upon the operation of Canadian legislation in relation thereto;

That twenty-four members of the House of Commons to be designated by the House at a later date, be members of the joint committee, and that standing order 67(1) of the House of Commons be suspended in relation thereto;

That the said committee have power to call for persons, papers and records and examine witnesses; to sit while the House is sitting, and to report from time to time and to print such papers and evidence from day to day as may be deemed advisable, and that Standing Order 66 be suspended in relation thereto; and to engage the services of counsel, accountants and such other clerical and technical personnel as may be deemed necessary, that the Minutes of Proceedings of and evidence given before the joint committee at the past session be referred to the said committee and be made part of the records thereof; and that a message be sent to the Senate requesting that House to unite with this House for the above purpose and to select, if the Senate deems it advisable, some of its members to act on the proposed joint committee.

He said: Mr. Speaker, this resolution is largely self-explanatory. It is merely to reconstitute a committee that was set up at the previous session of this Parliament. The Committee has done a considerable volume of work but has not yet completed its job. It is proposed that the committee be set up and that the evidence taken during the previous session be referred to it.

Mr. A. D. Hales (Wellington South): Mr. Speaker, I should like to make a few observations at this time concerning the resolution now before the House. In introducing it the Minister said it was self-explanatory, but there is one part he forgot to explain and upon which I should like to enlarge and raise serious objections. I am referring to that part of the resolution reading "and to engage the services of counsel, accountants and such other clerical and technical personnel as may be deemed necessary".

As the Minister said, a Joint Committee on Consumer Credit was set up during the last session and it had its first meeting on June 2, 1964 under the joint chairmanship of Senator Croll and the hon. Member for Renfrew South. It was my pleasure to be a member of the committee and at its first meeting it was indicated that it was the wish of the committee to hire a lawyer and an accountant to assist. This was something altogether new. To my knowledge I do not know of any other standing committee established by Parliament which has proceeded to hire lawyers, accountants or other professional help.

Objection was raised to this proposal. The matter was discussed in the committee and put to a vote and it was decided that counsel and an accountant would be hired. So the Committee proceeded with professional help. At the first meeting I inquired as to what remuneration these people would receive and these are their rates of pay. Mr. Urie, who was hired as counsel to the committee, was to be paid $250 per day.

Mr. Herridge: Shocking.

Mr. Hales: In addition, he was to be paid $25 per hour for preparation time—

Mr. Herridge: Disgraceful.

Mr. Hales: —or for time he spent on the work of the committee over and above attending the committee. The other gentleman, Mr. L'Heureux, was paid on the basis of $100 per day and $20 per hour for preparation time. I think this is outrageous, Mr. Speaker, and I believe the taxpayers of this country are not prepared to pay any such sums.

I object strenuously to the House adopting a resolution with such a provision in it. In my opinion it is outrageous. Let us compare such remuneration with that received by the Prime Minister (Mr. Pearson), for example. If he works 300 days a year he only makes $143 a day compared with this counsel who is being paid $250 a day. If there is any doubt about the outrageousness of these fees, one only needs to ask the hon. Members on the Government side of the House who were mem-

bers of this committee. I think each and every one of them will object to the outrageous fees that have been paid to these two men.

I think they would also agree that their presence had a deteriorating influence on the operations of the committee. When you have a paid official in a committee the members are inclined to say, "Well, why should I take any active part? He is paid $250 a day to do the work. Why should I do any research?" Therefore members do not take the same interest in the committee. There were occasions when matters arose in the committee and the counsel was doing all the speaking. I must say that the accountant hardly ever spoke.

• (9:40 p.m.)

I did not hear him speak during the time I was there. However, there were times when counsel spoke, and he took an altogether different viewpoint from that of the committee. I do not believe this displayed a true picture of the thinking of the committee.

These are some of the objections I have to this clause in this resolution. Now, just to keep the record straight, the committee held 18 meetings during the last session. Mr. Urie completed 170½ hours of preparation time and Mr. L'Heureux completed 52¾ hours of preparation time. The total for counsel amounted to $6,350.55, up to and including February 22. Mr. L'Heureux received $1,855, up to and including the same date. I have therefore, Mr. Speaker, the strongest objection of having this resolution go through in this form. I request the Minister to withdraw that clause and let this committee operate on its own so that any report would be a true expression of the committee. This move would save the taxpayers of this country in the vicinity of $8,200. This is utterly ridiculous, and I am sure there are other Members in the House who would like to support me in this objection.

Mr. David Orlikow (Winnipeg North): I was going to begin by saying that I wanted to commend the Government for bringing forward this resolution. I cannot commend them, however, for bringing forward the resolution at this late date when the House is likely to adjourn within the next couple of weeks and when this House has been meeting now for almost two months. This resolution calls for the reconstitution of the Joint Committee of the House and the Senate to deal with consumer credit. The committee met last year on a number of occasions and was just well into its work when the House adjourned.

[Mr. Hales.]

Over the years, because there have been so many private Members' bills from all parties in this House attempting to amend the laws of Canada to put some control on the outright robbery which is being perpetrated on the consumers of Canada by various business organizations, this committee was suggested. I am not suggesting for a moment that the vast majority of business organizations in Canada are not legitimate operations. However, there are many organizations coming under federal and provincial jurisdiction that have been fleecing the public high, wide and handsome. It was because of this feeling that Members on all sides felt we should do something, so this committee was set up. I think it is regrettable that the committee has lost two months when it could have been working. The committee has a lot of work to do, many people to hear and many organizations to hear. If it is going to do the job it will have to consult with Provincial Governments.

A number of Provinces, such as the Province of Manitoba from which I come, the Provinces of Ontario and Nova Scotia, as well as others which I cannot think of at the moment, have been looking at the question of consumer credit in great detail. The committee of the Ontario Legislature brought in its report last week and made some very sweeping recommendations. If we are going to do something, Mr. Speaker, to protect the public, then we are going to have to dovetail legislation which will be passed by the Parliament of Canada with legislation that will be passed by the Provinces.

Now, I want to take issue with the Member who just spoke on behalf of the Official Opposition concerning the necessity and the virtue of the committee having expert advice. I agree that the rates at which the accountant and legal counsel were paid sound large. However, this is a separate matter. I think the committee ought to have a good, hard look at that. I served on that committee for a good part of its deliberations. The committee is faced at every meeting with a whole group of expert counsel. I am sure they are paid more than the committee paid the one lawyer and the one accountant who were hired by the committee. The retail credit organizations, the department store organizations all these organizations had their legal counsel there, and they were all there for the definite purpose of trying to convince the committee we ought not to have legislation of this type. They tried to impress upon the committee that fact, that it was impossible, and it would

be a disaster—while they did not say for them, that is what they meant—for the committee to recommend and for Parliament to pass legislation which would require the disclosure of the true interest rate. We had a whole series of lawyers and accountants before the committee telling the committee why it should not be done, why it could not be done and why you could not disclose an exact figure for the interest rate.

I want to say, as one who served on that committee, that the committee counsel and accountant served a very useful purpose. I should like to give one small illustration. The accountant was able to develop an exact formula for showing people the exact rate of interest in percentage that they would be paying. The representatives of the financial organizations which appeared before the committee were saying it was impossible to do this. This one statement by the accountant, if that is the only statement he makes for the duration of the committee, will be well worth what he is paid.

• (9:50 p.m.)

The same is true of counsel. The last speaker said this cost the taxpayers of Canada some $8,000. If the committee does a job, if the committee reports to the House on the advisability of such legislation and if the House adopts such legislation, then I submit that the taxpayers of Canada, the consumers of Canada, will save millions of dollars. The expenditure of a few thousand dollars, even if it should be two, three or five times the amount which has already been paid, will be well worth while. I want to say again, as I said when I started discussing this matter, that I am expressing no opinion on the actual amount the committee agreed to pay the lawyer and the accountant. I think that should be looked at. Speaking as a layman who has never been able to earn that amount of money, it sounds a little high to me. However, I say that the principle of hiring expert advisers is a good one which I hope other committees will follow in the future. If they do, then Committees of the House will be able to make reports which will be of value to the House and value to the country as a whole. I hope this joint committee will get going. Before we adjourn for the summer recess, if there is to be one, the steering Committee will be able to map out the next series of witnesses to appear. If there is no recess, I hope the committee will proceed very shortly to finish its work and bring in a report so that Parliament can finally enact legislation which is so necessary to protect the buying public.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I rise to support the re-establishment of the Committee on Consumer Credit. For a long time the public has been concerned about the procedures used in some financial transactions, and is aware of the need for a study into consumer buying. It is unfortunate that so much of the session has gone by before reaching this motion. Valuable time has been lost.

Reference has been made to the committee counsel and accountant, and the suggestion was made that we should not pass the resolution in its present form. However, I do not see anything in it to indicate how much these gentlemen are to be paid. The committee engages its own staff, and therefore I support its re-establishment so that it can get to work immediately.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I too support the resolution and agree with others who have said it is unfortunate that the session is so far advanced before re-appointing the Committee. It is a Committee which has a very heavy task, and its work and findings will be followed with great interest by the consuming public, particularly by those who have to resort to credit in order to buy the things they require.

I support the hon. Member for Wellington South (Mr. Hales) about the amount paid to counsel. Are we losing all sense of values in our society, paying $250 a day for counsel for a committee like this, and $25 an hour for preparation? Compare that with what a university professor gets, or a farmer, or a skilled workman. People who charge this sort of fee are sucking the blood of our society, and in my opinion are not making a worthwhile contribution.

Some hon. Members: Hear, hear.

Mr. Herridge: I am glad to see I get some support from the Government benches, including from some of my legal friends. Officials from the staff of the Department of Justice could be used for this purpose.

The hon. Member for Wellington South suggested the resolution should not be adopted because of the fees paid to counsel and accountants, but I agree with the hon. Member for Fraser Valley (Mr. Patterson) that we should pass the resolution. It is entirely up to the committee, whom they employ and the amount they are willing to pay; but I trust the

committee will take note of what has been said in this debate.

Turning to the question of accountants, in my experience accountants are very necessary in the society in which we live. They are the ones who do the exact thinking, who make the precise decision which can be of great interest to all persons, particularly those who have to pay income tax and things like that. Accountants play an important role in our society and, as pointed out by the hon. Member for Winnipeg North (Mr. Orlikow), one of the accountants who appeared before the committee—in passing, they are not paid nearly as much as members of the legal profession—made an important submission which might save a great deal for the Canadian consumer.

Before resuming my seat, once again I protest the exorbitant fees paid to counsel in Canada because I think they are entirely unnecessary in relation to the services they perform in our society.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I do not think we should rush passage of this resolution, for two good reasons. It has been brought forward as a filler because we completed the list of items the Government had placed before us, which shows our anxiety to cooperate and get on with the business. It would appear as if the Government were not ready to go ahead with something it could announce a day or a week before.

The second reason is that suggestions have been given tonight which would warrant second thoughts by the Government with regard to the resolution. Important as it is to reconstitute the committee, the session is possibly drawing to a close. The other House does not appear to be meeting. I do not hear any faint noises from the other part of the Parliament buildings and it might not be possible to get the committee set up quickly.

Objections have been expressed to the committee appointing its own counsel and accountants. These are valid objections. The competent Civil Service that Canada possesses should be able to provide all the skilled personnel required for this type of work, whether from the Department of Justice, the Department of Trade and Commerce or the Department of Industry. I could name half a dozen members of the Civil Service who would give competent advice and assistance to the committee without the employment of outside assistance.

May I call it ten o'clock.

BUSINESS OF THE HOUSE

Mr. MacNaught: Tomorrow, Mr. Speaker, we will take up the second reading of Bill No. C-123, an act to provide for the disposition of Indian claims, and the second reading of Bill No. C-124, an act respecting the construction of a line of railway by the C.N.R. near Sarnia, Ontario. Then we will consider three resolutions; first, the resolution preceding the introduction of a measure to amend the Children of War Dead Act, the resolution preceding the introduction of a measure to amend the Army Benevolent Fund Act, and the resolution preceding the introduction of a measure to amend the Judges Act, to provide salaries for additional judges of the Supreme Court of Ontario, etc. Then we will take up second reading of Bill No. C-118, an act to amend the Income Tax Act and the Federal-Provincial Fiscal Arrangements Act. Then, if there is any time left over, we will take up the resolution preceding the introduction of a measure to amend the Research Council Act, and the resolution preceding the introduction of a measure to establish a Science Council of Canada.

• (10:00 p.m.)

Mr. Churchill: Mr. Speaker, once again I draw to the attention of the Acting House Leader that those two items which he mentioned were not included in the list which the Prime Minister gave us on June 9.

Mr. MacNaught: Mr. Speaker, I would draw attention to the first paragraph of the statement of the Prime Minister, wherein he said that the business he was then outlining was "subject of course to the usual reservation that there may be emergencies which will change the order and indeed change the matters brought before the House".

Mr. Churchill: Emergencies, yes.

Mr. MacNaught: There is some necessity to get these resolutions through so that the bills can be introduced and read the first time.

Mr. Winkler: You want us here to September, again.

Mr. Knowles: In this connection, Mr. Speaker, in view of the fact that there seems to be parliamentary time about which the Minister of Labour (Mr. MacEachen) was worried this afternoon, why cannot the Gov-

ernment now bring in the amendment to the Fair Wages and Hours of Labour Act, so that it can be passed before July 1?

Some hon. Members: Ten o'clock.

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 STATEMENT RESPECTING INSTRUCTIONS IN WIRE TAPPING

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise to discuss the answer which the Minister of Justice (Mr. Favreau) gave to a question of mine last week in respect of the use by the Royal Canadian Mounted Police of wire tapping and electronic equipment. The Minister's statement was very clear; when you strip away the legal phraseology, the Minister said in effect that the R.C.M.P. does not carry on wire tapping in this country.

I do not believe that the Minister of Justice would knowingly misinform the House of Commons. I must therefore believe, on the basis of evidence I have, that the R.C.M.P. is not telling the Minister of Justice the real facts of what goes on in this country. I want to deal tonight, because my time is very limited, with only one illustration. On February 13, 1965, the Toronto *Globe and Mail* carried a story the headline of which was "Wiretap Set Up for Lamontagne-Rouleau Call: R.C.M.P. Officer". The story is dated Ottawa and the first paragraph says:

> An inspector of the R.C.M.P. told the Dorion inquiry yesterday that arrangements were made last August to tap a telephone conversation between Pierre Lamontagne and Guy Rouleau, then Parliamentary Secretary to Prime Minister Lester Pearson.

I am not here to defend Mr. Rouleau but I think, like an American Supreme Court Justice, that wire tapping is a dirty business and ought to be prohibited. I also think the Minister of Justice should tell the House what really goes on. I asked the question about this after that news story appeared, and the answer I got was that the R.C.M.P. did not and does not tap wires in order to listen in to telephone conversations. So after a great deal of difficulty I got a transcript of the hearings of the Dorion Commission of February 12, 1965, and I want to put on the record in the few minutes available to me the exchange of questions by one of the counsel, Paul Jolin, and the answers given by Inspector J. R. R. Carriere of the R.C.M.P. I will give the page number so that the Parliamentary Secretary can check this later. On page 4808 appears this question by Mr. Jolin:

> —is it accurate that it is you who have suggested or have insisted with Mr. Lamontagne in order to detail somebody to listen to the conversation, or is it not rather Mr. Lamontagne who asked you to send someone?
>
> A. It is I that called Mr. Lamontagne, having been requested to do so by Inspector Drapeau.
>
> Q. Is it you who have taken the necessary steps in order to have the conversation taped?
>
> A. No. My instructions were to ex-Sergeant Crevier to listen to the conversation on an extension line.
>
> Q. Has anyone to your knowledge taken other necessary steps to have the conversation recorded?
>
> A. The only knowledge that I have of that was that on a previous occasion, on the 11th, I believe, I had sent Sergeant Crevier with specific instructions to record—

It says "record"; I want to underline that.

> —a telephone conversation which was presumed to be—which was believed to be in the offing at eight p.m. that evening. The conversation did not take place. Therefore there was no recording made.

At page 4815 appears the following:

> Q. Mr. Carriere, do you presently have at your disposal, or did you at that time have, that is to say did you have at your disposal the necessary technical means to tape amongst other things telephone conversations?
>
> A. Yes.
>
> Q. Were at that time the facilities available to you?
>
> A. Yes, there were.

Then at page 4816:

> Q. It was possible then. Were the instructions that you received from your superiors to the effect that Mr. Crevier was to listen to the conversation on another line or on another telephone?
>
> A. No, there was a request from Inspector Drapeau to cover a telephone conversation which was going to take place between Raymond Denis and Lawyer Lamontagne.
>
> Q. M. Carriere, does the word "cover", in your mind, simply mean that M. Crevier was to sit beside another telephone and listen to the conversation, or could it not also have meant: tape the ongoing conversation?
>
> A. It could mean either, either to listen or to record it.

At page 4817:

> Q. Would not Mr. Carriere have been in a position to instal your equipment the preceding day or during the night?
>
> A. No, that would have been impossible because I was not aware of that coming conversation until that morning, possibly nine-thirty, ten o'clock.

And so on, and so forth, Mr. Speaker.

I point out again that this is an official record of answers given by the Inspector of the R.C.M.P. who worked on the Rivard case, who said at the public hearing before

Mr. Justice Dorion that the R.C.M.P. was preparing to record the conversation which they expected to take place between Mr. Lamontagne and Mr. Rouleau, and that they had the equipment to do it.

I would repeat what I said on other occasions. I am opposed to wire tapping. But surely if it is necessary, and the law enforcement agencies of this country believe it is necessary, then they ought not to hide the fact that it is done. They should not lie to the public or to this House but should ask the Minister to bring in the legislation which is required.

Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice): Mr. Speaker, what the hon. Member for Winnipeg North has put on the record this evening is very useful. I would suggest that hon. Members should also consider a statement made by the Hon. R. A. Walker, the former Attorney General of Saskatchewan, of the C.C.F.-N.D.P. Government, and in this respect I am glad to see the hon. Member for Burnaby-Coquitlam here this evening. As hon. Members will recall, what the hon. Member described was not a wire tap but a recording. In fact, it was the same practice used by the Government over which the hon. Member for Burnaby-Coquitlam presided when he was Premier of Saskatchewan.

Mr. Douglas: That is not true.

Mr. Macdonald: Then in that event, if the hon. Member will listen, I should like to read a statement made by the former Attorney General of Saskatchewan, Hon. Robert Walker, as reported in the Saskatoon *Star-Phoenix* for December 17, 1964. This is a brief quotation from the statement by Mr. Walker. He says, first of all:

> The Liberals tried to make an issue of a certain tape recorder on my office telephone when I was Attorney-General.

Then he goes on:

> First of all, it was a recorder, not a wire tap on someone else's telephone, as was inferred. Secondly, it was not illegal, as implied by Mr. Pinder.

In other words, what the Royal Canadian Mounted Police were doing in this case was exactly the same as the action taken by the hon. gentleman's former colleague in Saskatchewan. They were making a recording. It was not a wire tap without the consent of the person owning the telephone, but rather a recording. On that thesis the facts cited by the hon. Member for Winnipeg North are exactly identical with this statement.

Mr. Orlikow: That does not make it right.

Mr. Douglas: No, that is not right.

Mr. Macdonald: The hon. Member for Burnaby-Coquitlam says this is not so. I would remind the hon. gentleman that this statement was made by Mr. Walker, and I read from the Saskatoon *Star-Phoenix*, which says that:

> The following statement by R. A. Walker... was marked "news release—not to be released before 8 p.m."...

This was a direct quotation from Mr. Walker.

Mr. Douglas: On what date?

Mr. Macdonald: December 16, 1964.

• (10:10 p.m.)

CANADA LABOUR CODE—APPLICATION OF MINIMUM WAGE TO FEDERAL WORK UNDER CONTRACT

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise to discuss the policy of the Minister of Labour in respect to extending the basic provisions of the new Canada Labour Code to all individuals who, in my opinion, come under the jurisdiction of the Federal Government even though not legally, at this time.

The Minister of Labour is very proud of the Labour Code, and so he should be, although I do not think he is right in accepting all the credit for it as suggested in a recent ad which cost the Canadian people tens of thousands of dollars.

There is a large number of people in Canada who work for the Federal Government but who are not today, and will not for the next three months, be receiving the minimum provided under the Code. I should like to summarize my position by reading from that famous ad which some of us thought included a picture of the Minister, but decided on a second look that it is not a picture but a good drawing of him. In any event there is no question that it is the Minister of Labour who was interviewed for the purposes of this ad. This is also clear as a result of the heading which states "Canada's New Labour Code, Hon. Allen MacEachen, Minister of Labour, answers some questions:". The question is: "Let's get down to specifics. What, exactly, does it promise to those employees who are affected by it?" The Minister's answer is:

As we said, it sets minimum standards—and I stress that these are minimum, because, of course, a lot of workers already enjoy higher standards than the Code sets.

First, it sets a standard 8 hour day and a 40 hour week, with overtime limited to 8 hours a week and paid for at time-and-a-half.

Second, it sets the minimum wage rate for all men and women over 17 years of age at $1.25 an hour.

I do not intend to read further because that is all I am concerned with at the present time. Many hundreds and thousands of Canadians, I believe, work on jobs in respect of which tenders have been submitted by private industry and contracts awarded by the Department of Public Works. For example, the company which was doing the cleaning at Gander airport was organized by The International Association of Machinists. That organization held the contract for several years, as a result of which the Machinists Union negotiated and received $1.52½ per hour for its workers. Recently the Department of Transport called for new tenders, as it has a right to do. The bid submitted by the company which had held the contract was circumscribed because of the fact that it had to bid on the basis of paying $1.52½ per hour. The company which received the contract was able to bid on the basis of 10 per cent less because it intended to pay its workers $1.10 per hour, or 42½ cents per hour less.

It is not my intention tonight to blame the Minister because the necessary legislation to include these workers under the Labour Code has not been forthcoming. In spite of the fact that this complementary legislation has not been presented—as the hon. Member for Winnipeg North Centre (Mr. Knowles) suggested—it seems to me that whatever the reasons are that this legislation has not been presented, it is a very simple matter for the Government, if it is honest, sincere and really wants to set a minimum of $1.25 to instruct all Government departments, in respect of any contracts that are to be let, to specify, as they specify in respect of all sorts of other contracts, that no company will receive a contract from the Federal Government unless it agrees to pay the minimum rate of $1.25 per hour.

That is all that the Government has to do. The Minister of Labour, who has such deep sympathy for the working people of this country, knows that the working people of the Martime Provinces in particular are the lowest paid in Canada. The Minister comes from Cape Breton and knows what it means to live on the miserable substandard wages which the workers of the Maritimes and some other areas get. I am sure that the Minister of Labour, in view of this knowledge of these conditions, will impress on his colleagues in the Cabinet the need for putting this kind of regulation into effect right away so that we do not have to wait until September, October or November of 1965 or possibly even later for those who do work for the Federal Government, even though they are not hired by the Federal Government, to get the same minimum wage as all workers hired directly by the Federal Government or who come under the jurisdiction of the Federal Government's Labour Code.

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I appreciate the interest that the hon. Member for Winnipeg North (Mr. Orlikow) and earlier the hon. Member for Winnipeg North Centre (Mr. Knowles) have taken in amendments to the Fair Wages and Hours of Labour Act. The hon. Member for Winnipeg North Centre has in previous years introduced a bill with regard to conditions for employees in federal industries. Such a bill was on the order paper at the last session, but as I recall it did not contain any provision for the extension of the principles to employees under federal contract—

Mr. Knowles: The expenditure of money is involved. A private Member could not do it.

Mr. MacEachen: —although it is apparent that the principles of the Canada Labour Code could hardly be applied without taking the other step and amending the Fair Wages and Hours of Labour Act to cover federal contracts.

In many instances, of course, employees under federal contracts are normally under provincial jurisdiction, certainly with regard to labour relations, and the only reason that the Federal Government can stipulate wages and hours conditions is simply that the Government can stipulate the conditions under which it awards contracts. One of the really difficult problems in considering how to apply the principles of the Canada Labour Code to employees operating under federal contracts arises because federal contractors in most instances are operating under conditions of a more local character and are influenced by market conditions of a more local nature than are industries that are under federal jurisdiction and operate certainly nationally and interprovincially.

Proceedings on Adjournment Motion

Mr. Deputy Speaker: Order, please. The Minister's time has expired.

Mr. Knowles: Come back again tomorrow night. It will be on again.

• (10:20 p.m.)

EDUCATION—NOVA SCOTIA—REQUEST FOR INCREASED GRANTS TO UNIVERSITIES

Mr. Gerald A. Regan (Halifax): Mr. Speaker, I know it is 20 minutes after ten o'clock but I wish to discuss tonight the problem of the financial emergency facing universities in Canada in general and in particular those in Nova Scotia and the other Maritime Provinces. Under the present federal university grants formula which has been in existence for some years a very great injustice is being done to provinces which, because of the quality of their universities, are able to attract students in great numbers from outside their own provincial borders. I am sure all hon. Members will agree that it is in the interests of Canadian unity and Canadian nationality that our universities should not become strictly provincial in scope and outlook with regard to the area from which they are to draw their students. The present formula, I contend, forces upon universities and Provincial Governments such an attitude because under the present formula federal grants to universities are based on the population of the province rather than the student population. We find a situation wherein, in Nova Scotia, the amount per student is $183 per year, compared to the universities in Ontario which receive $282 per student per year. So, you see there is a difference of just $99 extra being paid to universities for each student in Ontario as compared to Nova Scotia. Of course, you find these figures vary between the various Provinces. British Columbia is the second worst done by province after Nova Scotia, and they receive only $194 per student per year. I suggest that this is an extremely unfair formula and must be revised very quickly.

I am aware that the Bladen Commission is presently investigating the revision of the formula. I am hopeful that they will come forth with some answer that will provide recognition to the provinces which have, through the quality of their universities, been able to attract students from outside their provincial boundaries. I want to say that in the Province of Nova Scotia the problem is twofold. There is not only the question of imported students coming from other areas, but in addition there is the problem of exported graduates. You will find there is a sizeable proportion of the student graduates from universities in Nova Scotia going forth to take prominent positions in other parts of this country. We have seen graduates from our universities, who represent other areas in Canada, who have subsequently become Prime Ministers and Premiers of Provinces. I believe there are recent examples. We have seen graduates who have become Cabinet Ministers in other parts of the country, captains of industry and in general men who have played very prominent parts in the life of other provinces. In effect, therefore, the Province of Nova Scotia has been subsidizing other provinces by educating these people and then sending them forth. These are two factors which I think should be given consideration in considering a new formula.

I want to say that while we must wait for the Bladen Commission report, it is a fact that at the moment the Federal Government is spending about one third of 1 per cent of federal expenditures on direct grants to higher education. I believe that just is not good enough. Our universities today have only one controlled source of revenue, and that is tuition fees. If they do not receive greater grants from the federal and provincial governments the only way they can find the money they must have is to put the squeeze upon hard-pressed students, who I think already pay enough to get an education. We in the Maritime Provinces area feel that before the Bladen report comes out the present grants should be upgraded. As you know, they are based on university costs of operating, and operating expenditures for the year 1962.

The previous Government, in fairness I must say, twice upgraded the amount of the grant. I feel that even while the Bladen Commission is investigating the formula it should be changed. There is no reason why the Government could not now, as an interim measure, base the grants on 1965 costs and thus increase the amount. This is in consideration of the fact, we are told by eminent authorities, that there is a 16 per cent annual increase in operating costs of universities in this country.

We in the Maritimes take education very seriously. We consider universities an industry, and they have been an important industry, an industry which is well suited for an area in which it is sometimes difficult to get other types of industry. If we cannot receive from the Federal Government, through these grants in the future an amount that is equal to the assistance that is desperately

needed by these universities, then we must think in terms of asking the Atlantic Development Board for such assistance.

It should not be necessary to do this. Nevertheless we might have to think in terms of turning to the Atlantic Development Board to seek assistance in providing the ability for our universities to continue with the fine work they have been doing across the years.

I suggest it is important and crucial in the Maritimes at present, and in Nova Scotia in particular, and that our universities are in desperate need of new funds. I hope the Government will consider this very serious matter.

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): Mr. Speaker, no one is under any illusion that financial assistance to the universities is not a matter of fundamental importance, it is scarcely necessary for me to say that the Minister of Finance (Mr. Gordon) has responded to a number of questions over the past few weeks similar in nature to the one posed by the hon. Member for Halifax (Mr. Regan). I should also point out that the hon. Member for Royal (Mr. Fairweather) made a very useful statement on the same subject a few weeks ago.

I would underscore that the Minister of Finance, in a statement to the House last Friday, pointed out that he expects this whole question of financial assistance to universities to be on the agenda of the Federal-Provincial Conference that will commence on July 19. I should also reiterate that the Minister has indicated that upon receipt of the Bladen report the Government will take such action as is deemed necessary in the light of that report.

Motion agreed to and the House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Tuesday, June 22, 1965

The House met at 2.30 p.m.

SUPPLEMENTARY ESTIMATES, 1965-66

A Message from His Excellency the Governor General transmitting Supplementary Estimates (B) for the financial year ending March 31, 1966, was presented by Hon. Walter L. Gordon (Minister of Finance), read by Mr. Deputy Speaker to the House, and referred to the Committee of Supply.

FINANCE, TRADE AND ECONOMIC AFFAIRS

FIRST AND SECOND REPORTS OF STANDING COMMITTEE—CONCURRENCE IN FIRST REPORT

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance) presented the first and second reports of the Standing Committee on Finance, Trade and Economic Affairs, and moved that the first report be concurred in.

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

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, we object because the house is asked to sit at the same time as the committees and there are always irresponsible members who accuse others of not attending committee meetings when they are actually present in the house. As a matter of fact, the member for Saint Maurice-Laflèche (Mr. Chrétien) has charged certain members with not attending certain committee meetings while they were actually in the house. We are, therefore, recording our objection.

[*English*]

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

[*Translation*]

Mr. Alexis Caron (Hull): Mr. Speaker, I remember that we always objected, while in opposition, to the sitting of the committees when the house was sitting. I objected to it then and I still object to it today. I know that nevertheless the house will pass this motion, but I intend to voice my objection to the committees sitting while the house is in session.

We are a minority government. We need all our votes, and when we send members to the committees we cannot depend on them especially when the house itself is in committee. Therefore, I object to the sitting of the committees when the house itself is sitting.

[*English*]

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

[*Translation*]

Mr. Grégoire: On division.

[*English*]

Motion agreed to, on division.

EXTERNAL AFFAIRS

VIET NAM—CANADIAN REPRESENTATION ON COMMONWEALTH PEACE MISSION

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address a question to the Acting Prime Minister. In view of reports that Prime Minister Wilson may withdraw as Chairman of the Commonwealth Peace Mission because of Chinese criticism, and since this would remove the only NATO member from the mission, is the Government giving consideration to having Canada represented by its Prime Minister whose interest in this matter has been evident from the very beginning?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, I agree with the hon. gentleman that the Prime Minister has demonstrated an interest in this matter from the beginning. However, I cannot make any other comment at this time.

Mr. Starr: As a supplementary question may I ask the Acting Prime Minister whether the Prime Minister has been approached in the past 24 hours to be a member of this mission?

Mr. Martin (Essex East): There were suggestions last week that he should be a member of the mission, and I gave my hon. friend then the reasons that prompted his discouragement of the idea at that time. But I cannot reply at the moment with any certainty

Inquiries of the Ministry

in regard to the last aspect of my hon. friend's question, and I must take it as notice.

VIET NAM—TELEGRAM TO PRIME MINISTER FROM UNIVERSITY PROFESSORS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Acting Prime Minister. Is he in a position today to table the text of the telegram that 72 Canadian professors sent to the Prime Minister with regard to the situation in Viet Nam, together with the text of the Prime Minister's reply?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, I think I said yesterday that I had seen the telegram. The telegram was sent to London. I had not seen the telegram but it was read to me over the phone from London, and just as quickly as I get the text I will send it to my hon. friend.

TRADE

WHEAT—REQUEST FOR STATEMENT ON EXPORT PROSPECTS

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce. In view of the report issued yesterday by the Board of Grain Commissioners which shows that at the end of May our exports of wheat were down by 100 million bushels compared with the previous crop year, does the Minister anticipate that exports of wheat for this full crop year will be close to the exports for last year, or does he expect a heavy decline in total exports of Canadian wheat?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, on a number of occasions I have reported to the House my expectation that this would be the second largest year on record. I would expect, however, that this second largest year would be considerably short of 1963-64, an extraordinary crop year. In 1963-64 exports were of the order of 600 million bushels, and I expect that if we can reach our second largest year they should be something over 400 million bushels.

Mr. Douglas: Does the Minister mean he expects to have nearly 200 million bushels exported in the months of June and July? May I rephrase the question. The report yesterday showed at the end of May the export of some 311 million bushels. Does the Minister think we can reach the 500 million bushels he is now predicting by the end of July?

Mr. Sharp: The hon. Member misunderstood me. I said 400 million bushels was our objective, which would be the second largest year in history.

ADMINISTRATION OF JUSTICE

DORION REPORT—R.C.M.P. REPORT ON ALLEGED LEAK OF CONTENTS

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): May I direct a question to the Acting Prime Minister. Have the preliminary investigations conducted by the R.C.M.P. indicated whether there has been a leak of the contents of the Dorion Commission report? Perhaps he could also tell the House if now, with the accelerated translation and other activities this report can be printed somewhat sooner than was indicated yesterday.

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, it will be recalled that the Prime Minister indicated on Sunday at a press conference that he hoped the report could be published as quickly as possible. I mentioned this to the Chief Justice yesterday morning, and he told me everything was being done to issue it as quickly as possible but that this would not be before the end of the week. I need not remind my hon. friend of course, that control of this matter is in the hands of the Royal Commissioner, as it should be.

AGRICULTURE

FEED GRAIN—REQUEST FOR EASTERN MARKETING BOARD

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to put a question to the Minister of Forestry.

Can the minister tell us when a feed grain agency will be set up, as was requested by the Fédération canadienne de l'agriculture and the Union catholique des cultivateurs?

Hon. Maurice Sauvé (Minister of Forestry): I have already stated, Mr. Speaker, that this policy was announced in the Speech from the Throne. I announced a feed grain policy and said that in due course the government would advise the house of its policy.

Mr. Grégoire: Mr. Speaker, I should like to put a supplementary question to the Minister. Can he tell us if this matter is part of the government's emergency measures and if we can expect this agency to be set up during the next session?

Mr. Sauvé: The Prime Minister announced last week the legislative program for the coming weeks; it will depend on what progress is made.

Mr. Clément Vincent (Nicolet-Yamaska): Mr. Speaker, may I direct a supplementary question to the Minister of Forestry?

Can the Minister tell us if it is true that several cabinet members object to the establishment of a feed grains agency for eastern Canada and whether that was the reason for his Drummondville speech?

Mr. Speaker: Order.

[*Later:*]

Mr. Vincent: Mr. Speaker, I wish to put a question to the Minister of Trade and Commerce.

In order to avoid useless and disastrous controversy between Eastern and Western farmers, which controversy would prevent the report of the Special Committee on Feed Grains from giving rise to legislation, would the Minister tell the house if the Canadian Wheat Board has made serious objections to establishing a feed grain agency for Eastern Canada?

[*English*]

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, the Canadian Wheat Board is not a member of Cabinet. I have no objection to a feed grain agency for eastern Canada.

PROPOSED CONFERENCE ON DROUGHT CONDITIONS IN OTTAWA VALLEY

On the orders of the day:

[*Translation*]

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, in reply to a question that was put yesterday concerning the assistance the government intends to give farmers in trouble, the Minister said he would answer today.

Hon. Maurice Sauvé (Minister of Forestry): Responsibility for applications made to the federal government concerning assistance rests with the provincial authorities. There have been some discussions between the provincial authorities of Ontario and the Minister of Agriculture, as reported in *Hansard* of June 10. The government is prepared to enter discussions with any other provincial government under the same circumstances.

Besides, the hon. member has probably read the following in today's *Journal*: "The federal government will share the cost of rain making . . . ". There have been no official requests on the part of the provincial authorities of Ontario.

Mr. Martineau: Could the minister tell us whether there were any consultations with the representatives of the Quebec Government?

Mr. Sauvé: Not recently, as far as I know.

Mr. Martineau: Does the federal Government intend to take action on its own initiative with the provincial Governments in this case?

Mr. Sauvé: The Government cannot do that. The request must come from the provincial authorities.

Mr. Speaker: May I point out to the hon. members that there have been already five or six supplementary questions? They will probably have the opportunity to raise the question once more in a few minutes.

[*English*]

TOBACCO—REQUEST FOR ASSISTANCE TO ONTARIO MARKETING BOARD

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question I would like to direct to the Minister of Agriculture, but in his absence perhaps I may direct it to the Minister of Finance. Has the Government as yet reached any decision with respect to the recent request of the Ontario flue-cured tobacco growers marketing board for certain urgent financial assistance?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I am very flattered to be called upon to answer a question which otherwise might have been directed to my hon. friend the Minister of Agriculture, and I will be very pleased to look into this matter and do my best to reply in a day or two.

EGGS—PROPOSED IMPORTATION FROM UNITED KINGDOM

On the orders of the day:

[*Translation*]

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

Inquiries of the Ministry

In a statement made in London by the Minister of Agriculture (Mr. Hays), he indicated that he wished to allow the export of eggs from Great Britain to Canada. Would the Acting Prime Minister give assurance to the house that there shall not be any import into Canada of eggs from Great Britain since egg producers in Canada are now faced with over-production?

Hon. Paul Martin (Acting Prime Minister): I think the best thing would be for me to examine the statement first. Then I would be in a better position to give a precise answer.

[*English*]

Mr. Eric A. Winkler (Grey-Bruce): A supplementary question to the Acting Prime Minister with regard to the question asked by my colleague. I think this matter of the Minister of Agriculture anticipating the import of eggs from Britain is extremely important, because of the black outlook for egg producers in Canada—

Mr. Deputy Speaker: Order, please; order.

BICULTURALISM AND BILINGUALISM

VISIT TO YUGOSLAVIA BY DELEGATION OF COMMISSION

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, can the Acting Prime Minister tell the House whether he is yet in a position to answer the question I put to him several times this week and last week?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, I may not be able to answer it completely. There is a conference on cultural problems being held in Yugoslavia. This conference is not in any way under the auspices of the Canadian Commission on Biculturalism. If there is confusion on this point, it may be responsible in some measure for the impression my hon. friend may have had. Consideration is now being given as to whether there will be Canadian representation at that conference. I believe my colleague the Minister of Citizenship and Immigration is looking into this matter. We hope to be able to confer later in the day and perhaps complete this answer.

Mr. Nielsen: Mr. Speaker, when that conference takes place perhaps the Acting Prime Minister might be able to bring an answer back to the House as to whether any part of the organization of the B and B Commission will be attending this meeting.

[Mr. Pigeon.]

Mr. Martin (Essex East): That is an aspect we are looking into.

NATIONAL DEFENCE

SASKATCHEWAN—MATERIAL TAKEN FROM DISMANTLED RADAR SITE

On the orders of the day:

Mr. A. C. Cadieu (Meadow Lake): Mr. Speaker, I have a question for the Associate Minister of National Defence. Is it true that seizures and prosecutions are now taking place in the Beauval area of Saskatchewan with regard to materials that were taken from the Fort Black radar site situated close to Beauval? After demolition of the site had taken place by the destruction crew I understand the settlers were told to help themselves by members of that crew. Is it the intention of the Government now to take proceedings against these settlers who were misinformed?

Mr. Deputy Speaker: Order. May I suggest this is a question that should be placed on the order paper.

Mr. Cadieu (Meadow Lake): With all due respect, Mr. Speaker, an investigation by the R.C.M.P. is now going on in that area, and I think the people should know. The question is urgent and should be answered. My last question on the order paper lay there for six weeks, and in view of the fact that action by the R.C.M.P. is now being taken in this area I think the question is urgent.

I would like an answer to my question.

Mr. Deputy Speaker: Order, please. If the hon. Member would rephrase his question it might be reconsidered by the Chair.

Mr. Cadieu (Meadow Lake): Will the Minister see to it that all proceedings are stopped at this point until his department has had time to investigate the whole matter?

Hon. Léo Cadieux (Associate Minister of National Defence): I should first have to ascertain whether this matter comes under the jurisdiction of National Defence or the Defence Production Department. I will certainly look into it, and if proceedings have been initiated I will see that they are stopped for the time being.

EXPO '67

REQUEST FOR CONSIDERATION OF EXPENDITURES BY HOUSE COMMITTEE

On the orders of the day:

Mr. Robert C. Coates (Cumberland): I have a question for the Acting Prime Minister. I

should like to ask him whether the Government is now willing to give consideration to the setting up of a special committee to investigate expenditures in connection with Expo '67 in view of the answer which was tabled for me yesterday, showing that expenditures had risen from a commitment of $20 million to more than $64 million as of today.

Hon. Paul Martin (Acting Prime Minister): I have not had an opportunity to examine the return to which the hon. Member has referred. I am sure we are all confident that Expo '67 is going to be one of the greatest events in Canadian history. I am sure, too, that all Members will want to see that it becomes one of the greatest expositions of all time. I think the hon. Member may be able to satisfy his understandable interest and curiosity by putting questions to the Minister of Trade and Commerce when his estimates are before the Committee of the Whole, and I think he will find that the Minister will ably and responsibly deal with the questions which concern him.

Mr. Coates: I would like to say to the Acting Prime Minister—

Some hon. Members: Order.

Mr. Deputy Speaker: Order, please.

HUMAN RIGHTS

POSSIBLE VIOLATION OF BILL OF RIGHTS BY B.C. POWER BILL

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to direct a question to the Minister of Justice. I have not sent him notice, but I am in a bit of a hurry today. I trust I may phrase the question correctly in accordance with the rules.

An hon. Member: Ask it, then.

Mr. Herridge: Has the Minister of Justice obtained advice from the law officers of the Crown as to whether a bill passed by the British Columbia legislature entitled an act to incorporate the British Columbia Hydro and Power Authority violates any of the provisions of the Bill of Rights?

Hon. Guy Favreau (Minister of Justice): I will have to inquire. I will take the question as notice.

VETERANS AFFAIRS

REQUEST FOR CANCELLATION OF WORLD WAR I OVERSEAS REQUIREMENT

On the orders of the day:

Mr. D. W. Groos (Victoria, B.C.): My question is for the Minister of Veterans Affairs. Has the Minister received a letter dated June 19 from the Canadian Corps Association asking that the 365 day overseas requirement applying to World War I veterans in respect of war veterans allowance be cancelled; and is the Minister in a position to say whether this is being considered?

Some hon. Members: Order paper.

Mr. Groos: Or would the Minister consider recommending—

Some hon. Members: Order paper.

Mr. Deputy Speaker: Order please. Perhaps we might allow the hon. Member to complete the question.

Mr. MacInnis: On a point of order, Mr. Speaker. The hon. Member asking the question is perfectly aware that this letter was addressed to all Members of Parliament.

Mr. Groos: The letter was addressed to the Minister of Veterans Affairs.

An hon. Member: How did you get it, then?

Mr. Groos: I hear a lot of noise from the Opposition. Obviously they do not realize how important this matter is to World War I veterans.

Som hon. Members: Hear, hear.

Mr. Groos: Would the Minister consider recommending that the question be referred to the Veterans Affairs Committee for its consideration?

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

[*Later:*]

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, I wish to direct my question to the Minister of Veterans Affairs. In view of the commitment which the Minister made in this House to the effect that he would introduce veterans legislation before the summer recess, may I ask him whether the two items now standing on the order paper are the extent of that commitment, or is he going to take into consideration the report submitted by the committee on Veterans Affairs handed to him in the fall of 1963, in which the 365 day clause was brought up

and which was mentioned previously by the hon. Member for Victoria, B.C. Is the Minister going to consider this before the summer recess?

Hon. Roger Teillet (Minister of Veterans Affairs): In answering a similar question a few days ago I indicated that there were two other bills to be brought forward. I am hoping they will be on the notice paper either today or tomorrow.

DOMINION-PROVINCIAL RELATIONS

QUEBEC—ADDRESS TO HER MAJESTY RESPECTING PROVINCIAL CONSTITUTION

On the orders of the day:

Mr. Andrew Brewin (Greenwood): My question is addressed to the Acting Prime Minister. It is this. In view of the widespread concern about a constitutional issue of great importance, has the Government reconsidered the question of submitting to Parliament a resolution dealing with the address to the Queen seeking an amendment to the British North America Act limiting the power of the Legislative Council of Quebec? Is the Government reconsidering bringing this measure before Parliament?

Hon. Paul Martin (Acting Prime Minister): I made a comprehensive statement the other day, and I see no reason to make any modification in it.

Mr. Brewin: A supplementary question. As I understand it, the other day the Minister suggested that the matter might be brought before the House on a supply motion. Suppose the Official Opposition do not choose to carry out this particular procedure, does that mean the rest of the Members of the House are not to have the opportunity of discussing this important constitutional issue?

Mr. Martin (Essex East): Mr. Speaker, I think what the Prime Minister said was that there would be an opportunity given to the House to discuss this matter if it wished to do so. I suggested in my statement that we had in mind a supply motion for last Monday and Tuesday, and that it would be up to the Opposition to determine whether or not it wished to discuss this matter. Then because the Leader of the Opposition, an important officer of this House, had firm commitments previously made, an effort was made to accommodate him and that was done. I point out to the resourceful and intelligent Member who raised this question that there are procedures which are open to any Member who is ingenious enough to think of them.

Hon. Marcel Lambert (Edmonton West): A supplementary question to the Acting Prime Minister. Perhaps he might cast his mind back —and I invite him to do so—to the time when he frothed with indignation that the Government should ever dictate to the Opposition the choice of a subject for a supply motion.

Mr. Martin (Essex East): Mr. Speaker, I always look ahead.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I ask the Acting Prime Minister whether this means that the Government has decided not to submit this matter to Parliament of its own volition?

Mr. Martin (Essex East): I made a statement last Tuesday when I dealt with this question—

Mr. Lambert: Answer.

Mr. Martin (Essex East): —and dealt with it quite thoroughly.

HOUSE OF COMMONS

INQUIRY AS TO DATE OF SUMMER RECESS

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to address a question to the President of the Privy Council. Several weeks ago the Prime Minister indicated that some time in advance of the summer recess the Government would announce the date they would like to rise. I wonder whether the President of the Privy Council as House Leader thinks this would be a suitable day to announce that Friday would be an appropriate day to adjourn for the summer?

Hon. G. J. McIlraith (President of the Privy Council): Mr. Speaker, I am not able to make a firm commitment on that, but it is a wonderful idea.

NORTHERN AFFAIRS

APPOINTMENT OF GRADUATE STUDENTS TO DEPARTMENTAL STAFF

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, I should like to address a question to the Minister of Northern Affairs and National Resources. It stems from a press release which arrived on my desk today which states that six graduate students in political science will be taken on the staff under a program of student internship. Reading on

a little further it appears that five of the six students were selected from the Province of Quebec. My question is, why are these students not selected on a more geographical basis, especially when the Department of Northern Affairs has interests in other provinces?

Mr. Deputy Speaker: Order, please. I suggest this is perhaps a grievance, but I would not think it is the type of question which should be posed at this time.

Mr. Hales: Your Honour, I think the Minister has an answer to this question and I should like to hear it.

Mr. Deputy Speaker: Order, please.

ROYAL VISIT

INVITATION TO QUEEN MOTHER TO VISIT QUEBEC CITY

On the orders of the day:

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, I should like to direct a question to the Acting Prime Minister.

In view of the visit to Canada of the Queen Mother of England, could the Acting Prime Minister tell the house whether the Premier of the province of Quebec sent her an invitation so that he could welcome her in the City of Quebec?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, I cannot answer immediately, but I will take this question as notice.

[*English*]

CONSUMER CREDIT

INQUIRY AS TO MEETING OF JOINT COMMITTEE

On the orders of the day:

Mr. Max Saltsman (Waterloo South): Mr. Speaker, I should like to direct a question to the Acting Prime Minister. In view of the consumer credit legislation now being considered by several provinces, can the Minister inform the House when the Special Joint Committee of the Senate and House of Commons will be convened, so the Federal Government can play its part in this important legislation? I did give the Minister notice of this question.

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, I believe this resolution is now being discussed in this House.

FINANCE

INQUIRY AS TO POSSIBLE TAX REDUCTIONS

On the orders of the day:

Mr. W. H. A. Thomas (Middlesex West): Mr. Speaker, I should like to direct a question to the Minister of Finance. Since the Government of the United States is reported yesterday to have repealed $4.7 billion in excise taxes for the purpose of lowering prices, does the Minister or the Government have any plans to keep Canadian industry competitive by taking similar action; and would he consider repeal of the 11 per cent tax on building materials and production machinery as a suitable step in this direction?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I wonder whether I might be permitted to congratulate my hon. friend on his perseverance.

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I have a supplementary question. Has the Government any other specific considerations under investigation so that a real attack can be made against the high cost of living which exists today?

Mr. Winkler: How dictatorial does the Government want to be?

Mr. Gordon: That question suggests to me that my hon. friend was perhaps thinking of going on a fishing trip with his leader.

Mr. A. D. Hales (Wellington South): A supplementary question to the Minister of Finance. In view of the question just asked by the hon. Member, which indicated that excise taxes are being reduced by the United States Government, I should like to point out that this will affect the price of motor cars in the United States and will therefore widen the gap between Canada's price and the United States price. What does the Government intend to do in order to narrow this gap?

Mr. Gordon: Mr. Speaker, I can assure my hon. friends that this matter is being given very careful consideration.

Mr. Donald MacInnis (Cape Breton South): A supplementary question in view of the answer of the Minister of Finance. Is he aware of the article appearing in the Winnipeg *Free Press* for June 19 which pictures him along with five others in whose company he belongs, namely Hitler, Mussolini, Castro, Peron and Stalin—all of them dictators?

Inquiries of the Ministry

NATIONAL CAPITAL COMMISSION

LOSS OF EMPLOYMENT THROUGH DEMOLITION OF ROXBOROUGH APARTMENTS

On the orders of the day:

Hon. Lucien Cardin (Minister of Public Works): Mr. Speaker, on June 16 the hon. Member for Kootenay West asked a question of my colleague the Minister of Labour concerning the employees of the Roxborough Apartments. This matter has been transferred to me for reply.

The employees of the Roxborough Apartments property have signed employment contracts ending September 30, 1965, with a two or three month bonus. In addition they will be paid 4 per cent holiday pay on leaving.

The National Capital Commission and the Department of Public Works are investigating the possibility of employing any of the persons concerned should vacancies arise on the Commission's staff or in the Department for which they would qualify. The Commission is further trying to help them with other departments of the Federal Government, particularly by advising the National Employment Service of the availability of these persons and seeking the full co-operation of the National Employment Service. The National Capital Commission, the Department of Public Works and the Department of Labour are doing everything possible to assist the employees of the Roxborough Apartments and of La Touraine restaurant to find suitable employment.

A list showing their names, birth dates, years of service, type of employment and present salary has been prepared and circulated to the Departments and agencies mentioned.

Mr. H. W. Herridge (Kootenay West): I have a supplementary question, Mr. Speaker. Will the employees directly concerned be advised of Government policy in this respect?

Mr. Cardin: Mr. Speaker, I presume the employees concerned are now aware that the Department of Public Works and the National Capital Commission are trying to find them employment.

INCOME TAX

REQUEST FOR POSTPONEMENT OF LEGISLATION RESPECTING NEWSPAPERS

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, yesterday the Acting Prime Minister stated in reply to my question that he did not have the answer but would confer with the Minister of Finance. Today I should like to direct the question to the Minister of Finance and ask him whether, in view of the 50 minute conference that was held among himself, the Acting Prime Minister and representatives of the Canadian Daily Newspaper Publishers Association, the Government is now prepared to accede to the request made by them that the Government put off further action on the newspaper legislation until a better way is found to deal with this problem.

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I would prefer, if my hon. friend will bear with me, to deal with this question when the income tax bill is before the House, and I hope that will be before the afternoon is over.

Mr. Starr: Mr. Speaker, if the Minister could give us an answer now I think it would save a great deal of time in the passage of this Bill.

PRIVILEGE

MR. CHRÉTIEN—REMARKS IN DEBATE BY MEMBER FOR LAPOINTE

On the orders of the day:

[*Translation*]

Mr. Jean Chrétien (St. Maurice-Laflèche): Mr. Speaker, I rise on a question of privilege.

A few moments ago the hon. member for Lapointe (Mr. Grégoire) said the member for St. Maurice-Laflèche was irresponsible because he happened to have stated that the said member had attended only four of the 21 meetings of the consumer credit committee and only two of the 25 meetings of the committee on banking and commerce. The hon. member for Lapointe said he was absent because the committees had met while the house was sitting. Now, Mr. Speaker, those two committees only met twice while the house was sitting.

Some hon. Members: Order.

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, here is an instance of irresponsibility. He is irresponsible.

[*English*]

Mr. Starr: Mr. Speaker, I rise on a point of order. In respect of the proceedings now taking place, any question of this nature surely is out of order because it would necessitate some notice being given to the Speaker.

Mr. Deputy Speaker: It has already been ruled out of order.

INDIAN CLAIMS COMMISSION

PROVISION FOR ESTABLISHMENT, DUTIES, ETC.

Hon. J. R. Nicholson (Minister of Citizenship and Immigration) moved the second reading of Bill No. C-123, to provide for the disposition of Indian claims.

Mr. Baldwin: Mr. Speaker, I think the Minister would be happy to make a statement in this regard.

Mr. Nicholson: Mr. Speaker, I do not agree that I am so happy about making a statement, but I did make certain commitments to the members of the committee who considered the resolution last night, and in fulfilment of these assurances, I think some remarks are appropriate at this time.

First I wish to thank the hon. Members who participated in the debate yesterday at the resolution stage of this bill. Needless to say I was encouraged by the unanimous expression of support of the resolution which came from all quarters of this House. That augurs well for the early passage and the success of this long overdue legislation.

As I said when I introduced the legislation yesterday, two joint committees of the two Houses of Parliament, one in the period 1946-48 and the other in the period 1959-61, after hearing the evidence of Indians and others concerned, strongly recommended that action be taken to deal with this problem.

It was decided both by the former administration and by this administration that steps should be taken to implement the recommendations of those two joint committees to establish an Indian Claims Commission. As was mentioned more than once yesterday, legislation was drafted and introduced in this House in December, 1963. Following this the proposed legislation was sent to Indian organizations, band councils and other interested groups across Canada for study and for suggestions as to improvements to these provisions. This was done during the year 1964 and during the first month or two of this year. Some 300 briefs and letters concerning the proposed legislation were received. These were reviewed and, as hon. Members, who have had an opportunity to peruse this bill and compare it with the older one will see, certain major changes have been made which I think will commend themselves to all Members of this House.

I should like to refer briefly to the main provisions of this new Bill C-123. First of all, the Commission will comprise five members, the chairman to be trained in the law, with experience on the bench or at the bar. There was a suggestion made that the chairman should be an international jurist selected by the United Nations. In fact the hon. Member for Skeena put forward that suggestion again last night. However, while those of us who have considered the representations feel strongly that the Chairman should be a person with adequate training and experience, we do believe there are persons in Canada who are eminently qualified to perform the duties of chairman of an Indian Claims Commission that is functioning solely in this country.

There were other suggestions made as to the qualifications of the Commissioners. Some thought that such persons should be trained in anthropology, ethnology and sociology—I remember hearing mention of a lot of other "ologies" during that discussion—and history and economics. There were many representations to the effect that an Indian should be appointed to the Commission and, as you will see from a perusal of the bill, we have accepted that suggestion. Provision has been made for one of the Commissioners to be appointed from among persons who are defined as Indians under the Indian Act.

• (3:20 p.m.)

However, it is not considered desirable to specify in the legislation the discipline in which any Commissioner other than the chairman must have been trained. But we are going to have a chairman trained in the law. We are also going to have at least one Indian on this commission of five. In the new bill we have made provision for a vice chairman, who may exercise all the powers and functions of the chairman if he is absent or unable to act for any reason. I think this is also an improvement which came out of suggestions that have been made.

Each Commissioner may be appointed—not "shall be"—but may be for a term not exceeding 10 years. We do not say "shall be" because if you were going to appoint a man in his late sixties or early seventies you might not want to appoint him for such a period as would mean he would serve beyond the age of 75, which is the limit for all judges in the superior courts of this country. However, he can be appointed for a term of 10 years.

It was suggested in some briefs that this Commission should be made permanent, and that no time limit should be put on its life. But we must keep in mind, Mr. Speaker, that the purpose of this Commission is to deal with claims which have arisen in the past, not new claims but claims that have arisen in the past. And while no Commissioner may be appointed for a term exceeding 10 years, if the Commission has not completed its work and if a member has served the full term of 10 years there is no reason why he should not be appointed for another term not exceeding two years, if he is doing a good job. This provision will permit the reappointment of one or more Commissioners when their terms expire. But I can assure this House that the Commission itself will go on until the last claim has been determined, and not until then will the Commission cease to function.

I hope this will not take 10 years, but based on the experience of our neighbouring republic to the south it may well take longer because, as I have learned in the last four months, some of the claims are very complicated. They will take months or longer in preparation, and it will take some time for the Commission to deal with the very complicated and involved claims that have come in from different parts of the country.

A word or two might be in order about the classes of claims. The classes of claims that may be brought are very broad, sufficiently broad, it seems to me, that known claims arising out of any past events can be heard. In 1948 the joint committee recommended that the Commission deal with claims under treaties. The 1961 joint committee recommended that the British Columbia land question and the Oka land dispute be heard by the Commission. Under the bill as drafted the kinds of claims that both joint committees had in mind have been included, and we have gone even further than that.

There are now five general classes of claims, which may be brought. First there are claims that land was taken without Indian aboriginal interest having been extinguished. This is the kind of claim that has been advanced by the Indians of my Province of British Columbia and which is commonly known as the B.C. land question. This was referred to at some length in the report of the 1961 committee on Indian Affairs.

The second class of claims covers claims that lands set apart as reserves for Indians were disposed of without compensation, or compensation so inadequate as to be unconscionable. We heard several references to that type of claim in the debate last night on the resolution. There have been many allegations that reserve lands have been improperly disposed of without compensation being paid, or that the compensation was inequitable. Suggestions were made, which I might say appealed to me at first when I was making a study of the matter, that the use of the word "unconscionable" would make it difficult to prove a claim based on the inadequacy of compensation, because as long as there was some substantial or almost reasonable compensation it might be argued that it was not unconscionable.

I might say that point troubled me at first but when I went into the history of the matter I found that similar language is used in the United States legislation, and that there have been a number of successful claims in the United States involving inadequacy of compensation as the basis of an allegation of unconscionable conduct. It is reasonable to assume that such an interpretation will be placed upon the word by the Commission or other bodies dealing with the matter in this country.

The third class covers claims that the Crown failed to discharge any obligation to Indians arising under any treaty, agreement or undertaking. Last night several hon. Members, including the hon. Member for Peace River and I think the hon. Member for Comox-Alberni, referred to this point. Provision is made in the new bill to consider allegations that the Crown has failed to live up to its obligations to Indians under any treaty, agreement or undertaking. This provision will enable bands that believe treaties have been abrogated in any way to make a claim; or if they feel that any other agreement or undertaking with them has not been fully discharged they may also bring a claim. May we have order, Mr. Speaker?

Mr. Deputy Speaker: Order please.

Mr. Nicholson: The fourth class consists of claims that moneys held by the Crown in trust for Indians were improperly used. Some have alleged maladministration of trust funds. Where a band feels that such is the case it may bring a claim. These four classes cover claims involving aboriginal land rights, reserve lands, band funds and treaty obligations. Finally, in order to ensure as far as possible that any other matter which does not fall in the above four categories can be heard, there is a further provision for claims

based on the alleged failure of the Crown to act fairly and honourably with Indians in some transactions, thereby causing injury to them.

It will be seen that the classes of claims that may be brought under this bill are very broad and will permit the hearing of claims of alleged wrongs against Indians in the collective sense. The collective interest of the Indian is represented by the Indian band, and this is set out clearly in the bill. Claims of individual Indians are not included, although there have been suggestions that they should be. However, if there is any individual alive today who feels he has such a claim he can seek his remedy in the courts. The same is not true of Indians in their collective capacity with respect to claims arising out of treaties made 150 years ago, 100 years ago, 75 years ago or possibly even 25 years ago. Therefore under the bill such claims must be put forward by Indian bands. There is probably no individual Indian living today who is directly affected, so I think the question of the individual becomes academic. However, by making it possible for an Indian band as an identifiable group to seek redress, their rights as a group are recognized.

There were also suggestions that claims might be permitted against the Crown in right of a province. For constitutional and jurisdictional reasons obviously this has not been included. However, claims arising during the preconfederation period may be heard as well as all claims against Canada since Confederation.

I might say a word or two about claimants with particular reference to clause 6 of the bill.

• (3:30 p.m.)

As I have said, claims may be brought on behalf of Indian bands. Normally the band council, as the duly constituted authority to act on behalf of the band, will put forward the claim. In some cases, however, there are no councils, and accordingly the chief will be in a position to bring the claim on behalf of the band. There may be a few cases where there is no band council nor a chief, and in in such cases any adult member of the band may bring the claim, provided the Commission is satisfied he has been authorized by the band to do so. Provision is also made for bringing claims in cases where the bands, in the past, have either been amalgamated with other bands or have been divided to form two or more bands. These bands, through their authorized responsible councils or their authorized spokesmen, will be able to bring claims.

I might say there were suggestions in some of the briefs and letters that were submitted, as well as in a telegram I received today, that Indian organizations should be able to bring claims on behalf of the Indians of a province. This was also mentioned last night. I may say this suggestion was given very careful consideration, and the conclusion reached was that this would pose insurmountable difficulties because Indian organizations, being purely voluntary organizations, do not necessarily represent a particular band or group of Indians. For instance, you will find in my native Province of New Brunswick, Indians of several different tribes. The same situation applies in Nova Scotia, as well as in practically every province of Canada. Where you have a band having a specific claim with regard to the disposition of some land that has been reserved for its use, you may well have another group with entirely conflicting views. This suggestion, therefore, after most careful consideration has been rejected, or at least has not been incorporated in the Bill now up for second reading.

The membership of Indian organizations, I might say, in the short time I have been Minister—and I have met several of them—fluctuates from day to day, from month to month and certainly from year to year. Conflicts of interest could arise where one or more organizations decided on their own initiative that they were the true representatives of a particular group or band of Indians. On the other hand, the band is well defined. In most cases the Indian bands had lands set apart for their use. They have a well defined membership, a membership that is established and maintained by law.

I might say that while for the reasons I have given we have not seen fit to include Indian organizations in the Bill, or make it possible for them to be claimants, this does not mean that Indian organizations might not take the initiative and advise the band or the chief to bring a claim. They could assist the band council or the chief or the adult, if the Claims Commission directed that an adult could represent a band, in the filing and prosecution of a claim. It may well be, and I think probably will be, that this will be the role that many Indian organizations may wish to play. There is nothing in the provisions of the Bill that prevents them from doing so. They can do all these things, but they cannot be claimants. On the other hand, I reiterate

that we certainly do not feel Indian organizations, with their fluctuating membership, should be permitted to present claims to the Commission.

There is another important matter to which attention was drawn in the briefs that were submitted, Mr. Speaker. I refer to the time limit for filing claims. There has been considerable publicity given to the establishment of an Indian Claims Commission during the last few years. For several years it has been the announced policy of successive governments to establish a Commission. The purpose of the Commission, as I stated yesterday and I believe I reiterated today, is to clear grievances from the past. On the whole I believe the great majority of Indians know what their grievances are. They have talked about them enough over all my adult life. Accordingly, in order to bring some finality to this matter that has been in the air for at least 40 or 50 years, we believe that claims should be filed within a reasonable period of time. The previous Bill, No. C-130, provided that claims must be filed within two years after the act comes into force.

There were many suggestions regarding this limitation, ranging from suggestions of two years to no time limit at all. Some people were recommending a permanent Commission. Some arguments were advanced that the time limit for filing claims was too short, particularly since some bands seemed to think they not only must file their claims within the time limit but they must also prepare all the documentation necessary to support the claim. This is not the case. Only a notice of the claim need be filed, setting out what the claim is about with reasonable certainty. The documentation can follow later.

However, to meet the basic objection that the time limit of two years originally contemplated was too short, the time limit established in subclause 2 of clause 6 of the bill has now been extended to three years. It is considered this is a reasonable time within which to file a notice of claim. It may not be heard for five years, but they must give notice within three years. In the light of all the publicity that has been given to the Indian Claims bill, more particularly by the distribution of Bill No. C-130 in 1964 and the publicity we propose to give the establishment of the Commission when the bill becomes law, I would hope Members would agree that three years is a generous time.

One of the most far reaching and most novel provisions in the bill is the one having to do with the nature of the evidence that may be considered by the Commission. An important principle embodied in the bill is the fact that the Commission will not be bound by the ordinary rules of evidence. This is most important, since the Commission in its work will be able to dispense with the rules of evidence which in the past resulted in the rejection of some evidence relating to claims. Having practised law for more than two decades before I went into business I realize that in cases such as we have here, where most of the claims arose in the last century or perhaps even earlier, if we adhered to the strict rules of evidence there would be no possibility for these claimants to get justice. Some of the evidence that may be submitted may not be accepted in ordinary courts of law, yet it may be credible and trustworthy. It was considered necessary, in view of the antiquity of some of the claims, that such evidence be allowed.

• (3:40 p.m.)

Perhaps I might pause to interject that we have all had our own experience of somebody telling us an incident. Our parents may tell us of an incident; when we pass it on to somebody else there is usually a slight variation, and when it is passed on to our children and our grandchildren there will be even more variations. So, while people may repeat in good faith claims and stories they have heard, in some instances these might be so far removed from the truth that they are almost fairy stories.

I am not suggesting that would happen here, but it is important that where oral evidence does not exist, because there is no person alive today who could give the testimony, there must be some evidence to support the claim, something contemporaneous with the origin of the claim. It was thought that it would be unwise if the claim were supported by oral evidence only. It should be corroborated in some material way by other than oral evidence, that is by something to show that the oral evidence was true or was likely to be true. This could be an artifact, a marking, or some other corroborative evidence. The question of what weight should be given to testimony is being left to the Commission to decide.

With respect to the production of papers, I hardly think it is necessary to deal with this question at any length. The Commission will be authorized to make rules respecting its procedures and will be given such powers, rights and privileges as are vested in a

superior court of record in respect of the difficult question of the production and inspection of documents, procedures for the bringing of claims and powers as to attendance, summoning and the examination of witnesses.

In some of the briefs, it was suggested that direction be given to the Commission as to the kind of evidence it would entertain and the weight to be attached to such evidence. There were also suggestions that there be detailed provisions with respect to the production of documents. It was considered, however, after full examination that it should be left to the Commission to determine what, in the light of practice, would be necessary to provide the claimants with full and reasonable opportunity to prepare their claims and be heard; and that the Commission should also determine what testimony it would hear and what weight it would give to such testimony.

Because of the nature of the claims, and because the problems that might be encountered in dealing with them cannot be foreseen, it is considered that it would be impractical to try to prescribe in a detailed way what the Commission shall do with respect to evidence, documents and the examination of witnesses. It is expected that the Commission will hold hearings in various parts of the country and, as required, may conduct special investigations into any particular aspects of a claim.

Another significant innovation and great improvement in this bill as compared with the former one is the provision for assistance to Indian bands in bringing claims. Provision is made in the bill for providing assistance to Indian bands that do not have sufficient available resources to enable them to bring a claim before the Commission or to pursue or oppose an appeal. There would be no point in setting up a commission if destitute bands could not get the lawyers, anthropologists and other research experts that they may need.

It so happens that there are a few Indian bands which are very wealthy, either through possessing land which made choice sites for industrial purposes or through the discovery of oil and gas. Such bands will also have claims to put forward and will be in a position to do so, but other adjoining bands in a province could not make claims unless assistance were provided them.

One of the fundamental problems that we had to consider was whether Indian bands would be able to finance the cost of having their claims adequately investigated, documented and presented before the Commission. In many cases this will involve not only legal advisers and counsel but research personnel as well. The real problem is how to assist those bands that may not be able to finance in whole or in part the bringing of their claims.

Having determined that bands unable to finance their own claims should be assisted, the question arose as to how such assistance might best be made available. I may say it did not take long for the officials who were advising me or for me to decide that the administration of such assistance could not be associated with the Department of Indian Affairs, even though I may have a very high opinion of my own integrity; nor should it be associated with the Department of Justice, which will have the responsibility of defending the Crown. It was therefore considered that the most appropriate way in which the assistance might be provided would be to make it the responsibility of the Indian Claims Commission, and to assure the Commission that it would have funds to do this work.

Mr. Speaker, may we have order?

Mr. Deputy Speaker: Order, please.

Mr. Howard: The only disorder is behind you.

Mr. Nicholson: I am not suggesting that there is not some lack of order there.

The Commission will set the terms and conditions of the assistance to be provided, whether in the form of direct assistance, such as by way of research staff, or financial assistance to help pay for research and legal counsel. Provision is made so that a band desiring help will be able to make application for assistance to prepare and bring a claim before the Commission, or for assistance in any of the appeal proceedings or further hearings that may be held as provided in the bill. In special circumstances, the Commission is given power to forgive all or part of the financial assistance so provided. The scheme of assistance as set out in the bill will, I believe, go a long way toward meeting the expressed requests of many band councils and others.

It is not possible to determine in advance how much might need to be provided to meet all the requests for financial assistance that might be made. However, the requirements can be met year by year in such amounts as might be appropriated by Parliament for this purpose. As soon as the bill becomes law, authority will be sought in supplementary estimates for an amount deemed sufficient to

cover any requests for assistance that might be made to the Commission during the current fiscal year.

The Commission will be required to render a decision on each claim, setting forth its reasons therefor and awarding money compensation where it is warranted. The Commission can make a money award only. There were suggestions that it be given the power to restore land, or to award both land and money, and also to make declaratory orders in respect of treaty obligations.

It was not intended that the Claims Commission would take the place of ordinary courts in determining points of law such as the validity and effect of an Indian treaty.

• (3:50 p.m.)

The Commission is now being given wide powers, however, to determine whether an obligation under a treaty as determined by the courts has been discharged. The restoration of land may be quite impossible for any number of reasons. Land may have been patented years ago. I know that a project in southwestern Ontario with which I was associated for some years, and which is now the hub of a billion dollar industry, is all established on a former Indian reserve. Even if there has been some flaw in a title of this kind, it will be impossible to return land where patents have been issued. But if there has been an injustice the Commission will be able to give the band or bands concerned adequate compensation. There is no limit to the amount of compensation which can be awarded.

As regards the suggestion that declaratory orders may be made in respect to treaty applications, it is considered that such orders can quite properly be dealt with in the ordinary courts in accordance with the established rules of legal evidence. It would be a case of interpreting a document.

A word as to appeals. The Commission will sit and decide on the merits of these claims. The decisions of the Commission are final and conclusive, subject to appeal to a special Indian Claims Appeal Court which is being constituted under this bill. The Commission being a tribunal which is not bound by legal rules of evidence, and not applying facts to existing law or being guided by established principles, there are no grounds on which an appeal could be taken to the Supreme Court or to the Exchequer Court. It could not possibly be done. But all judges of the Exchequer Court are to be ex officio judges of the Indian Claims Appeal Court and are to be given authority to confirm or vary decisions of the Commission, or they may refer claims back to the Commission for further hearing.

[Mr. Nicholson.]

Apart from the appeal to the Indian Claims Appeal Court as to the reasonableness of an award, provision is made for reference to the Exchequer Court on questions of jurisdiction, and for appeals from the Exchequer Court to the Supreme Court in respect of any such decision concerning a question of jurisdiction.

A word on the subject of awards. This is dealt with in clauses 9, 10 and 11. Where the Commission finds that the claim of an Indian band is justified in whole or in part, it may make a money award. In determining the amount of the award the Commission shall take into account the amount of any moneys already paid or the money value of any other compensation given to the band in respect of the matter out of which the claim arose. This is where the question of unconscionable transactions arises. For example, if the Commission were to find that band X was entitled to Y dollars under the provisions of some treaty or agreement but had in fact received only Z dollars, then it would take into account the amount Z already paid when determining the amount of the award.

I turn now to the disposition of funds. Any amount which may be awarded by the Commission or fixed by the Indian Claims Appeal Court will be paid into the capital fund of the Indian band concerned to be used for the purposes to which the capital funds of a band may be devoted. The purposes for which expenditures of capital funds may be made are prescribed under the Indian Act. In general, the funds may be used only for purposes of benefit to all members of the band; a percentage can be used for per capita distribution, but the total amount cannot be dissipated in this way. Of course before payment of an award can be made to a band fund, money must be appropriated by Parliament for that purpose. Once the moneys have been paid over the claim will be deemed to have been discharged. The reasons for placing restrictions on the use of band funds is obvious. The fund is the property of the band as a whole, and not only the present generation but their children and grandchildren have to be considered.

In summary, may I say it is felt that the tribunal which is being established will enable a final determination to be made as to the claims of all Indian bands. We must realize that this Commission has a monumental task ahead of it. And when the last

claim has been settled we hope old controversies will be laid at rest, and this should go a long way toward rebuilding the kind of confidence in the intentions of Parliament and of the people of Canada which is absolutely necessary if we are to do our work for the future development and welfare of the Indian people.

I hope that this legislation which is so vital to the settlement of Indian claims will help achieve this end.

As I assured the Committee yesterday, as soon as this bill has been given second reading I intend to ask that it be referred to a joint committee of the Senate and House of Commons for examination and report, and I am prepared to move the appropriate resolution at the earliest opportunity.

Mr. G. W. Baldwin (Peace River): I think I should commend the Minister for the careful and detailed statement he has given to us on the motion for second reading of this bill in connection with a contentious, difficult and tenacious problem which has existed over a great many years. The measure deals with a problem to which I do not think there will ever be a complete and equitable solution, though by the terms of this legislation the Government intends to move as far as it possibly can in that direction.

I think, too, I must commend the officials of the Minister who undoubtedly participated to a large extent in the preparation of this legislation following the numerous briefs and representations which I am sure were made to them and which, I am convinced, must have raised a great many difficulties.

My own disposition is to give guarded and somewhat reserved approval to this motion, subject to what I shall have to say later in the expectation that a measure of this kind is one which must bristle with legal questions based on varying interpretations of the different clauses to which the hon. gentleman has referred. Some of these will no doubt be passed on the Claims Commission itself. It seems to me that only by means of a joint committee such as has been suggested will it be possible to give this legislation the careful and detailed study which its great importance deserves.

I hope when the Minister closes the debate he will refer to the proposal I made yesterday, that the Government should indicate its good faith in this issue by expressing willingness to comply with the recommendations which may be made by the joint committee concerning changes and alterations. I have this in mind when I indicate my own view that the bill is one to which in principle we may give our qualified acceptance.

• (4:00 p.m.)

Having said that, to indicate the nature of the reservations I have I should like to refer to several of the matters which I think are of very considerable importance and which will require clarification and a more detailed statement by those who will be appearing before the committee during the course of the study of this bill. I am not blaming the Minister for this, but the bill came into my hands only about half an hour or so before the opening of the House. It is a very lengthy bill comprising 32 clauses involving in many cases new departures, and for this reason I feel I must qualify my acceptance of it.

Some of the things I wish to refer to, which I assume will be the subject of study and consideration by the committee, are these. First of all, may I bring to the attention of the Minister that in the interpretation clause "band" means a body of Indians that is a band for the purposes of the Indian Act. I point out that while it is apparent from this interpretation that there is a limitation in this legislation to Indians within the Indian Act, this leaves a very considerable omission in that the bill fails to take into consideration the Eskimos of northern Quebec and the Northwest Territories, in respect of whom there have been no treaties signed and who are now in the position of having in many cases to give up their birthrights in respect of the material assets and real property in the areas in which they reside without any agreement being reached at all. This, of course, is not a matter within the Minister's jurisdiction, but as Minister charged with responsibility under the Indian Act I think this very signal omission should be called to the attention of the Government.

I have no comment to make at this time with respect to the suggestions advanced as to the personnel of the Commission. I think there has been an improvement in this respect, in that there is now to be at least one Indian, within the meaning of the Indian Act, among the commissioners. The qualifications which the Minister mentioned are a condition precedent. I think they have been well put, and I have no inclination to quarrel with him on this score.

When we reach the duties of the Commission as set out in clause 5 of the bill we come to the very heart of the problem. I would

be of the opinion that certain clarification might be required in connection with some of the areas which are the subject of the proposed jurisdiction of the Claims Commission. Subclause (a) of clause 5 refers to claims which may be brought in respect of—

—lands in any area that now forms part of Canada—

—which were taken from Indians by the Crown, and so on, without any agreement or undertaking to give compensation. It seems to me at first blush that the word "adequate" should be inserted before the word "compensation"; because any compensation at all, no matter how inadequate, would disqualify an application being made under subclause (a). Subclause (b) says that claims may be advanced in respect of—

—lands set apart for the use and benefit of Indians in any area—

—I assume that refers to lands set apart as reserves and which subsequently were granted, sold or otherwise disposed of by the Crown. I also assume it includes the natural resources and the mineral rights under the land as well, and I think this is a matter subject to litigation at the present time in the Province of Alberta. The subclause continues:

—and no compensation was given in respect thereof to such Indians or the compensation given was so inadequate as to be unconscionable;

In other words a very heavy onus is thus laid upon the Indians and the band to establish, before any right is vested in the Claims Commission to make an award, that the compensation given was so inadequate as to be unconscionable. I think this is rather anomalous, because it is essential for the band to prove this in order to get into court, if I may use that expression, or, to get before the Claims Commission. But once they have the right to come to the Claims Commission, I would judge that the Commission may make an award which may be reasonable and adequate in their opinion. I think the provision, that they have to establish to the satisfaction of the Claims Commission that the compensation given was so inadequate as to be unconscionable lays a very heavy onus on a band. One must suggest that this is an area where there might be some discussion during the course of the committee's deliberations.

I am very pleased to see subclause (d) of clause 5 in the bill. We had an interesting discussion on this matter yesterday. The hon. Member for Northwest Territories and other hon. Members who spoke brought this subject to the attention of the Minister. The intention is that this subject shall be covered by subclause (d) in any situation where there has been a breach of a treaty; and this despite the fact that by what now appears to be a decision of the highest court of this land there is no legal restriction against a Government legislating, if it sees fit, in any way so as to vary the terms of a treaty, or to legislate in such a way that there is no longer any compliance with the terms of a treaty.

This brings up another problem which I think is serious, and where I now feel there might not be that complete compliance which I would hope would be present. Subclause (d) is to the effect that a claim may be advanced where the Crown failed to discharge any obligations arising under any treaty to Indians living in an area that forms part of Canada. The meaning of the word "obligation" is involved here. If this is construed to mean, as it well could, a legal obligation, then subclause (d) has no value at all. I feel that for a 100 per cent opportunity to be given to Indians and Indian bands to seek and obtain a remedy for breach of a treaty the word "obligation" should be followed by "or promise". I throw out that suggestion to the Minister for his consideration. I do not want to be splitting hairs, but I want to make it quite plain that I am sure from time to time there would be constructions sought of the various parts of this legislation, and to me the words "obligation" connotes a legal obligation.

The question arises, because of the decision of the Supreme Court of Canada to which I referred, whether there is any longer, if there was ever at any time, any legal obligation on Canada to fulfil the terms of these treaties. An obligation in honour, in equity, in decency, yes; but there is a question in my mind as to whether there is now a real obligation within the meaning of the word as it appears in subclause (d).

With regard to the length of time within which a claim may be brought, I understand there might be a conflict of views on this. I would be prepared to accept three years provided the Minister might consider adding the words "or such further time as the Commission might recommend". It seems to me there may be very special and unusual circumstances where a band may be unable to gather together the evidence, or where there may be some conflict. I can think of a number of reasons whereby the band might fail to bring proceedings within the term of three years. It would not be unreasonable to grant the Commission the right to extend the time

if a proper case was made to it. This is something the Minister might well consider, because it would really not do much violence to the meaning at this time, but it would provide an extra safeguard.

• (4:10 p.m.)

In legislation of this kind there must be the most liberal and generous construction possible. I commend the position that has been taken, that the usual rigid legal rules of evidence shall not apply. However, this position is subject, of course, to subclause 1 in respect of which, as the Minister pointed out, no award shall be made unless there is evidence in writing that is reasonably contemporaneous to the time the subject matter of the claim arose. I understand the reasoning behind this, which relates to the general principle that no one shall be entitled to manufacture evidence in writing to support his own claim, but evidence in writing which was made at a time fairly close to the time when the claim arose could not be considered as being manufactured in respect of proceedings which will not take place until many years later. I think the whole thing depends on an interpretation of the word "reasonably". Certainly there must be some distinction made, but I hope in its decisions the Commission will not construe this word "reasonably" too rigidly against the Indians making the claims.

In clause 13 there is provision for an appeal to the Exchequer Court on the grounds of jurisdiction. This is a very reasonable provision and provides a simple and expeditious method whereby either the Crown or the banks may seek the opinion of the Exchequer Court as to whether any claim made comes within the provisions of clause 5. The appeal from the Exchequer Court to the Supreme Court is also quite reasonable.

Under subclause 2 of clause 14 I suggest there should be the inclusion of the same saving provision I referred to earlier. This subclause states:

> No appeal lies after leave therefor has been obtained under subsection (1) unless it is entered in the Supreme Court within sixty days from the making of the order granting leave to appeal.

Having in mind that many of the Indian bands live in areas which are very considerable distances from the places where these courts are held, I think it would be wise to add after the word "appeal" some saving words to the effect that this time can be extended if in the opinion of the Supreme Court of Canada a case has been made to do so. I should not like to see this 60-day period left in its present terms.

The Indian Claims Appeal Court I think is an innovation. It is very desirable and gives an opportunity both for the Crown and the bands to appeal on the ground that an award was unreasonable.

Finally, Mr. Speaker, in respect of the question of costs, I think the Minister made it reasonably clear that provided the Commission is satisfied, on application by a band, that it simply does not have these resources, all that is required in forming and preparing its case—engaging counsel, calling witnesses and bringing witnesses to the place of the trial; in other words, everything which in any sense of the word is a condition precedent to the band being able to make an adequate, fair and full presentation of its case—will be made available, in terms of the money required, to the Indian band or bands making the application for an award. Anything less than that would certainly be unreasonable, unfair and restrictive in respect of benefits which might flow from this legislation.

Before I leave this subject there is one other point in clause 32 which deals with the question of assistance to Indians. While there is nothing specifically stated, I would assume, and perhaps the Minister can clarify this, that in the event the Indians making application are unsuccessful, there will be no question that costs will be awarded against them. That is an inference we can possibly take from clause 32, but I am sure the Minister is willing to make this point clear beyond any shadow of doubt; that in the event an application is unsuccessful, no costs under any circumstances can be assessed against the applicant band.

The remarks I have made represent a general indication of some of the problems involved, and I have not touched on them all, which can only be adequately and properly disposed of when the matter is before a joint committee to which officials of the Department are made available for questioning. I assume it will be possible for that committee to have access to the officials of the Department of Justice in order to consider some of the legal problems which could arise in connection with the interpretation and construction of this legislation. We must do this with the understanding that no stone will be left unturned to assure that the blot on our nation, in respect of the claims of Indians which can be brought within the four corners of this legis-

lation, is, as far as it possibly can be, erased forever.

Mr. Frank Howard (Skeena): Mr. Speaker, since the bill was introduced yesterday we have had a brief opportunity to examine it in some detail. The hon. Member for Comox-Alberni, the hon. Member for Nanaimo-Cowichan-The Islands and I took the opportunity last night of obtaining one of the copies used for introduction purposes. We perused it until late in the evening, so perhaps we have had a better opportunity of examining it and preparing a critique than some other Members.

Before I make any formal comments I should like to state that it is my understanding an appointment with the Minister was made some time ago with a group of Indians representing the Iroquois nation for four o'clock this afternoon in the Minister's office. Obviously the Minister is not in his office to meet with those people, and I understand they are patiently or impatiently awaiting his attendance. In view of the fact that it appears the Minister will not be able to keep that appointment in person, would he be kind enough to issue an invitation to those representatives, of whom there are many, to sit in the gallery this afternoon as his guests to listen to the discussion which is taking place? I know they would like to participate in the debate, but perhaps they could be afforded the opportunity of at least listening to it.

• (4:20 p.m.)

Mr. Nicholson: Mr. Speaker, I appreciate the suggestion of the hon. Member. I might say that last night when I realized that we would have second reading of this bill today, I immediately took steps to try to notify the delegation with whom this appointment was arranged a week ago. There was no thought in fixing that appointment that the bill would be before the House today, and the hour of meeting has been changed to six o'clock. But they do have at least an hour and a half or a little more to wait now, and I am sure my secretary will be glad to arrange for passes to get them into the gallery if they so desire. I would ask one of my officials to communicate such a message to my office.

Mr. Rhéaume: Mr. Speaker, perhaps the hon. Member for Skeena would end his remarks immediately and allow the bill to be given second reading so the Minister could then keep his appointment with the Indians.

Mr. Howard: I am not that anxious to vote for the bill or to let it pass without comment.

[Mr. Baldwin.]

In the Minister's opening remarks on second reading he indicated that he welcomed what he termed the unanimous support for the bill that was given yesterday at the resolution stage. If the Minister made that comment sincerely I do not think he could have been listening to what was said, because there was not unanimous support for the bill. There was not unanimous support because we had not seen it and did not know just what it would contain and whether it would be worth while supporting. If the Minister will read the comments of the hon. Member for Comox-Alberni, who spoke first for the New Democratic Party, he will see there was no endorsation of the bill, nor did I indicate that we would support the bill. There was no unanimous endorsation of the bill, but rather an expression of the fact that this was perhaps the most important piece of legislation with which we would be dealing at this session.

In my view, yesterday and today are but further sad and sorry days for the native Indian people. When the contents of the bill became public for the first time last night the hopes of a great number of Indian people in Canada that finally they were going to get a fair hearing and justice and equity at the hands of Government were dashed to the ground. I would not be saying this if this were the first time a bill to set up an Indian claims commission had been presented to the House. It is not the first time. As is well known, Bill No. C-130 was presented in December of 1963. That bill was roundly condemned as inadequate by large numbers of Indian people, and with few exceptions the bill now before us is identical with Bill No. C-130 introduced in 1963.

In the intervening period the Indian people, whose views had been sought and whose ideas and proposed amendments had been solicited, had hopes that their proposals and suggestions for amendments to Bill C-130 would be accepted with the result that the new bill would be drafted in such a way as to establish a commission which would be able to deal properly, fairly and adequately with their longstanding grievances. They discovered last night that this was not the case. They discovered last night that the bill before us is just the same as Bill C-130 so far as is substance is concerned and the establishment of a commission which, properly and fairly, will be able to hear and adjudicate upon the claims of the native Indian people.

Last night we issued a press statement about the bill under the names of the leader of the New Democratic Party, myself, the hon. Member for Comox-Alberni, the hon. Member for Nanaimo-Cowichan-The Islands and the hon. Member for Winnipeg North. I should like to quote one or two paragraphs from that press statement because I think it succinctly sums up our position with respect to the bill and the Government that has introduced it:

> The provisions of the bill introduced tonight by the Minister of Citizenship and Immigration which provides for the establishment of an Indian Claims Commission make it obvious that the Government has been speaking with a forked tongue and that it is firmly entrenched in the position of a modern day combination "land-grabber and whiskey-peddler".
>
> There is no change of substance in Bill C-123 over Bill C-130, which was introduced on December 14, 1963, that would permit the Commission to be fair and equitable in hearing and deciding upon claims presented to it. There are, however, two important changes. One is that an Indian shall be a member of the Commission and the other is that financial assistance shall be given to bands to prepare and present their claims.
>
> It seems obvious that the Government in Bill C-130 of 1963 deliberately refused to accept these two suggestions in order that it could spend a year and a half listening to submissions by Indian people, then offer them something as a sop. Even some of the early day rum runners were more subtle than this.

The press release goes on to deal in some detail with the bill itself and in fact is an identical reproduction of a similar statement which was made with respect to Bill C-130. The statement can be similar because the bills are identical with the exception of the two points I mentioned and one or two other extremely minor technical changes.

The history of the dealing of governments with the Indian people includes, of course, their dealings with the Indian people of British Columbia, those with whom I am most familiar and who I believe by and large have the greatest single complaint to make about treatment at the hands of Government in that because there were no treaties with the Indians in British Columbia, they are now faced and have been continuously faced with what is commonly called the B.C. Indian land question. There was no war against the Indian people of British Columbia by which territory was won. There were no treaties, no negotiations, nothing except simple encroachment upon lands exploited and owned, in the sense that the Indians understand that word, by the Indian people of British Columbia.

In 1910 Sir Wilfrid Laurier promised the Indian people of British Columbia that the Indian land question would be taken to the Privy Council. Sir Wilfrid Laurier did not do that. In the eyes of the Indian people who were affected Sir Wilfrid Laurier told them a lie. In their eyes the Liberal party of that day was deceitful, and it looks like they are not improving with the passage of time.

• (4:30 p.m.)

In 1913 a group of native Indian people from the Nishga tribe, or what is now the Nishga tribal council, prepared a petition for the presentation of their claim to the Privy Council. Eventually the Federal Government got around to attempting to deal with their petition, and in 1914 they passed an order in council with relation to the matter. The contents of this order in council are important because they indicate what the attitude of the Government of that day was with respect to the legitimate claims of the Indian people. By order in council P.C. 751 of June 20, 1914, the Governor in Council resolved to refer the Indian land claims to the Exchequer Court of Canada. We have not progressed too much, since we are now likely to end up in the hands of the Exchequer Court of Canada.

One of the provisions of the order in council is as follows:

> The Indians of British Columbia shall, by their chiefs or representatives, in a binding way, agree, if the court or on appeal the Privy Council, decides that they have a title to the lands of the Province, to surrender such title, receiving from the Dominion benefits to be granted for extinguishment of title in accordance with past usage of the Crown in satisfying Indian claims in the unsurrendered territories—

In other words, what they meant was that the Dominion Government in 1914 wanted the Indian people to say before they went to court that if they won they would agree to lose; that if they won their case they would agree to accept the provisions contained in the treaties to which the hon. Member for Peace River referred yesterday, and to which the hon. Member for the Northwest Territories also made reference. In other words, in 1914 the Dominion Government was quite prepared to continue extinguishing the Indians' title to lands in the same niggardly dishonourable way that had been the case prior to that time. Naturally the Indian people rejected this suggestion, because it was unfair and because it was not in any sense of the word justice to them.

Subsequent to that we had the McKenna Royal Commission established between the provincial and federal governments without consultation with the Indian people, without their agreement and, at least on the surface,

apparently without any concern for representations from the Indian people. The McKenna Royal Commission sat for some three or four years and went all over British Columbia. They made a report which subsequently found its way into the statute books of Canada and of the Province of British Columbia. These statutes, by their very existence, allegedly settled the British Columbia Indian land question. The Parliament of Canada and the legislature of British Columbia passed laws which in effect extinguished the claim of the Indian people of British Columbia to that land. They did not extinguish anything, because the claim is still there and now we have the Government of the day admitting the claim is still there and indicating its desire to give the people an opportunity to present their claims. This was another way for the Government to deal deceitfully and dishonourably with the legitimate claim of the native people of British Columbia.

In 1926 a joint committee of the Senate and House of Commons was appointed to inquire into the claims of the allied Indian tribes of British Columbia who had petitioned Parliament in June, 1926 for redress, for justice and fair play. I have read the report of that joint Senate and House of Commons Committee. I have read the questions asked by the members of that Committee, and it is obvious from reading the verbatim report of those proceedings that the members of the committee had made up their collective minds before they even heard the case. They had decided before they heard the claim presented that there was not going to be an acceptance of any claim. They did not recommend that there was no claim, but they stated that the Indians had failed to prove their case.

However, they said, "Even though you have failed to prove your case we will recommend a cash settlement of $100,000 a year in lieu of treaty money." They said in effect, "You have no claim but we recognize you have a claim and we will give you $100,000 per year". This was the origin of the so-called British Columbia special vote in lieu of treaty.

Even though that joint committee of the Senate and House of Commons determined that the Indian people had not proved their claim, they still did not extinguish in the minds of the Indian people the thought that they had a just claim. They presented these ideas to the joint committee in 1946, 1947 and 1948, I believe it was. In 1948, as the Minister stated, that committee reported unanimously that there should be an Indian Claims Commission established. It is interesting to note that there was a Liberal Government in office at that time, and they failed to pay attention to the recommendation of the committee in 1948.

Now, Mr. Speaker, in so far as the British Columbia Indian land question is concerned, the native people of British Columbia do not need an Indian Claims Commission. They do not need an appeal court. They do not need this structure which is now before us. Canada does not need it. All that is required is a simple and honest declaration on the part of the Government that the hereditary or aboriginal title of the native people of British Columbia was never extinguished. This is all that is necessary, the admission of an historical fact. This could be followed by a discussion on a gentleman to gentleman basis, negotiation if you wish, to extinguish the claim of the native people of British Columbia. This is all that is required, a simple, honest acceptance of an historical fact. If the Minister believes implicitly in what he said a few moments ago about fair play and justice, this is precisely what he and his Government will do.

We do not need to put the native people to the trouble, expense, worry and time of preparing and arguing a case before the Commission when the cards are stacked against them by the very construction of the Commission. We do not need to put them to that difficulty. All that is required is the admission of the historical fact that the aboriginal title has never been extinguished, and then follow that up by some gentlemanly negotiations to conclude the matter. This is all that is required so far as the people of British Columbia are concerned.

The Liberal Party prepared a platform in 1962-63 with regard to this Indian Claims Commission. Reference has been made to it before in this chamber, and I should like to take one or two extracts from the pamphlet covering that platform to indicate that there is a vast difference between what the Government is saying now and what was set out in this pamphlet. I quote:

> At Prince Rupert in 1910, Sir Wilfrid promised that the Indian land question would be taken to the Privy Council.

It never got there. It has puzzled me to understand why the Liberal Party would admit such a thing about Sir Wilfrid, that he

was dishonest in his dealings with the native people. I quote:

With the objective of achieving a fair and just settlement of all outstanding claims, it is Liberal policy that the Commission will include qualified authorities on British constitutional law as it affects aboriginal, hereditary and usufructory rights.

I should like to hear some declaration from the Minister concerning the personnel of this Commission in order to ascertain whether it is going to meet this particular promise.

I continue quoting:

To assure the objectivity which Indians of Canada have the right to expect after years of procrastination—

That is sort of an admission of self guilt by the Liberal Party.

—Commissioners may be appointed from other parts of the Commonwealth such as New Zealand, where achievements in this field are regarded as outstanding. It is Liberal Policy that the Commission will be unbiased and independent.

It is true that this was a qualified promise, since it states they "may be" appointed. None the less, when Liberal Party spokesmen took this pamphlet in their hands to explain it, this became a solemn pledge that when the Commission was established it would include people from other nations whose success in this field is supposed to have been outstanding. It goes on further to say:

• (4:40 p.m.)

It is Liberal policy to establish the Indian Claims Commission on a continuing basis—

The Minister said a while ago that it is not going to be continuing at all, that it is to have a specified life.

They further promised to refer to that Commission "such contentious questions as the income tax status of Indian fishermen." I would like to know whether the Minister still believes in that promise and intends to carry it out; and will this subject matter be referred to the Commission, because the Indian people themselves will not be able to raise it under the terms of the bill. They are precluded from making a claim of that nature. I would like to ask the Government whether it remembers that solemn pledge to the Indian people, especially those in B.C. This pamphlet goes on and on, and comparing the pamphlet with the bill it is nothing but a lot of hypocrisy, a lot of deceitful promises to the native Indian people.

Yesterday the Minister made a couple of statements which are worth commenting on. As recorded at page 2686 of *Hansard* he stated:

—some Indians feel such a Commission would be just another device concocted by the whites to whittle away Indian rights. We must do our best not only to establish this Commission as soon as possible, but when it is set up we must do what we can to ensure that everything is done to correct and remove any such impression.

Unfortunately the Minister defeated his own purposes and his own ideals by not making the necessary changes in Bill C-130. The Minister went on to say:

The Bill...includes several suggestions that were made by the Indian bands and others since the Bill of December, 1963 was introduced.

I do not know what the Minister means by "several" but there are only three changes of any substance in the Bill. One is that there will be a native Indian person appointed to the Commission, something which I had spoken about earlier and wondered why it was not contained in the 1963 bill. The other is that the time limit for presentation of claims is extended from two to three years. a rather insignificant change. The third is the new clause 32 which proposes the financial assistance for the presentation of claims.

The Parliamentary Secretary to the Minister also had some interesting comments to make about the bill, and I think they require some examination. As recorded at page 2716 of yesterday's *Hansard* the Parliamentary Secretary said:

Indian bands or groups will be able to put forward claims—

I made note of that statement when he was speaking last night but wanted to make sure of it, and having checked *Hansard* I see I heard correctly. That is either misleading or it is merely reflecting the hope and desire of the Parliamentary Secretary, because there is no reference in the bill to people other than bands as groups of people who can present claims. I wish there were. In fact the definition of the word "band" is restrictive in the extreme.

The word "band" is of European extraction. It is a non-Indian word. It is a word developed by the English speaking people to apply to a particular group of Indian people, and it is alien to their thoughts. You cannot arbitrarily establish groups of people and call them bands. Bands, as such, never existed in the Indian social, political or economic structure.

If the Bill had said that bands, or nations, or tribes or other groups, or something broad of that sort, then it would open the door wider and permit the proper groups of native Indian people, by their own designation, to present claims. It is restrictive to limit it to a band. I think the Parliamentary Secretary

was just expressing a hopeful desire rather than misleading the House and explaining something that was not the case.

The Parliamentary Secretary further said, and I think this is revealing:

This legislation means the acceptance of a legal and moral obligation by the Government of Canada to assure that Indians can have their day in court.

That to me is extremely revealing, especially when coupled with the statement of the Minister earlier today that there is some desire to see finality brought to these claims. There is a desire to end once and for all the possibility that Indians may raise claims against the Government in its dealings with them. I submit this is one of the major reasons for the presentation of this bill in almost identical form to that which was introduced in December, 1963; namely, so they can say the Indian people can have their day in court; not so their claims can be dealt with fairly and justly, but merely that they can be given the opportunity to plead their case; not so that any determination can be made on the basis of justice, but merely so the opportunity will be given for the Indian people to argue their point of view.

The Indian people of Canada have been arguing their claims against this and preceding Governments for donkeys' years, at least as far back as 1910 so far as the B.C. Indians are concerned. They have had their day in the Minister's office time and time again. They have had their day in the Indian Affairs Branch time and time again. They have argued before parliamentary committees time and time again. But nothing happened. All we have now is another agency of Government in order to provide the native Indian people with another opportunity to have their day in court. There is no desire to solve anything. There is no sincere attempt to meet their claims with fair play. There is just the desire to be able to say "We are giving you this so-called day in court." That is not good enough.

Clause 7 of the bill—and I only make reference to it in passing—is the key part of the bill, because it establishes the power of the Commission at hearings and says what the Commission may or may not do. It is true, as the Minister said, that the bill waives the normal rules of evidence so far as courts are concerned. That is an admirable course to take, but even though the Commission in hearing any claim shall not be bound by the legal rules of evidence, even though it can let native Indian people argue and present their history, which many of them only know by story and which in many cases was never written down or documented so far as the area they owned or used was concerned; even though the Commission will let the Indian people have their day in court, as the Parliamentary Secretary said, the Commission cannot make an award on the basis of evidence which it receives and which is not covered by the legal rules of evidence. It cannot make an award unless there is evidence in writing that is reasonably contemporaneous with the time when the subject matter of the claim arose. The subject matter of some of these claims arose many decades ago. The subject matter of many of these claims predates Confederation itself by many years, as the Minister has admitted. The subject matter of these claims in many instances arose at a time when there was no written evidence, at a time when the Indian people did not keep records. The Indian people of this nation did not have title to their land in their pockets. They did not measure plots of land 60 x 120 in extent and say "Here is our land and we have pieces of paper to prove it". They held their land in common, and they held it in trust for future generations.

• (4:50 p.m.)

Where would one find written evidence which is reasonably contemporaneous with those times? Even in our archives it would be impossible to find it. As a matter of fact, from what little knowledge I have of the archives it would be virtually impossible to find anything else there, either, because there is such a chaotic mess over there.

If they cannot produce evidence in writing to support their claim there is an alternative. They can give oral evidence which is corroborated in a material particular by evidence other than oral evidence. Presumably this would be written or documentary evidence. I presume there are two kinds of evidence, that which is spoken and that which is presented in writing. Perhaps the Commission will be able to travel north of Terrace along the road to the Nass River valley and study some of the Indian petroglyphs which have been cut into the rocks back in the stone age—we do not know precisely when—by our Indian people. Possibly the Commission will be able to take cognizance of them and conclude that someone was there centuries ago.

The fact is that clause 7, as a result of the restrictions it contains, will preclude the Commission from accepting evidence presented by the Indian people unless the conditions laid down elsewhere are met, namely that it be

corroborated by written or documentary evidence. I submit this places too great a restriction on the Indian people, and forces them to submit to rules which they may not be able to observe and which stack the cards against them.

There are other provisions in this bill with which I do not agree. They make similar restrictions and will similarly prevent people from presenting their claims and receiving awards on the basis of their evidence and in accordance with fair play and justice. Regardless of the intentions of this Parliament or of the Government or of the Minister, there will be no final and conclusive settlement of Indian claims until the Indian people themselves feel they have been given a fair deal by this Commission. If they do not feel they are getting a square deal they will either boycott the Commission and refuse to present their claims to it, while persisting in their demand for fair play and justice, or they will appear before the Commission without any hope of receiving redress of their grievances, and still persist over the years in trying to get fair play and justice from the Government.

Only if this bill contains the basic elements of equity and justice, and only if the Indian people feel they are being fairly dealt with and can see that these principles are contained in the measure, will a final and conclusive settlement of these claims be achieved.

I for one in this Parliament would not be interested in the least in making a final determination about Indian claims unless I could be satisfied that the Indians themselves would accept it as a final and just settlement. Final settlements of Indian claims are not one sided affairs. We have had too many one sided final settlements of Indian claims. I mention only the British Columbia land question, which as far as the Government is concerned was settled finally and conclusively on five different occasions. Because it was not fair, because it was not just, and because the Indian people did not feel they had any part in the procedures which led to those decisions, there was no final settlement in their minds.

This should be our sole objective; not to make final and conclusive settlements as far as we are concerned; not to carry on the double talk of the past, but to be prepared to make a final and just settlement of Indian claims—final and just in the opinion of the Indian persons themselves. This we must do if, even in part we are to correct the injustices of other years.

At this stage, bearing in mind the reluctance or refusal of the Minister to declare his intention to receive or accept amendments which the committee might offer, I think we would be opposed to this bill. The hon. gentleman was asked last night by the hon. Member for Peace River whether his Government was prepared to accept amendments to the bill which might be suggested by the joint committee after the Indian people had had an opportunity to present their ideas with regard to it, in order that whatever decisions were finally made would be accepted as fair and equitable. If the Minister would make such a commitment to Parliament when he closes the debate, or at some other time should he so desire, I believe there would not be too much opposition to the passage of this bill as it now stands, although we believe we should try through some other procedure to improve the letter and spirit of certain clauses of it. If the Minister would make this commitment perhaps we could proceed on the basis of qualified acceptance. Otherwise I think we must reject it.

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, if I rise to say a few words at this time it is because in my constituency of Quebec-Montmorency there is a reservation of Hurons who, I am sure, will want to make representations to the new commission, the composition of which Bill No. C-123 seeks to alter.

Furthermore, I should like to pay homage to a tribe which recently elected a new council composed of dynamic and well-intentioned young Indians who really want to help this Huron tribe to participate in the development of their community.

Moreover, I should like to warn the minister against the provisions of section 7 stating that a claim must be supported by evidence in writing or, at least, by oral evidence which would have the same value. I should also like to point to him that recently a distinguished Indian of the province, Mr. Jean-Paul Nolet, an announcer with the CBC, himself an Abenaki of the Odanac region, said, following the presentation by the National Film Board of the film entitled *Le Festin des Morts,* that there were so little evidence in writing that it would be very easy for those who want to abide by such evidence, relating facts which are absolutely untrue, to ignore Indian claims.

As a matter of fact, he complained quite seriously that the subject matter of the film *Le Festin des Morts* was tendencious and based on no written documents, except for a few excerpts from "Relations" published by the Jesuit Fathers.

Consequently and following this evidence, I should like to point out to the minister that he should take for granted that tribes could submit evidence which would not necessarily be evidence in writing, in short, evidence which would not necessarily be taken from a conversation and some evidence in writing, but rather from Indian hereditary background which would really permit them to enjoy the use of a property or properties for which they were responsible many years ago, even more than a century ago.

Mr. Speaker, it should be kept in mind that in certain regions, more particularly in the Lorette reserve, located in my constituency, large tracts of land have been surrendered either by the tribe itself, or by the agent of the department or by others performing duties for both the department and the tribe.

The Lorette Indian reserve is actually confined within a territory which is much too small and which even a financial compensation would add nothing to the land of these Indians who have to live in this reserve which is too small for them. I hope the commission will take those facts into account when it is considering the request of Indian bands and even try to obtain more land for them so that they may continue community living on a reserve if they so desire.

Everybody knows that the way of life, tastes and aspirations of the Indians who live in the various parts of Canada differ from one band or tribe to the other. Consequently, compensation awarded to Indians of British Columbia, for instance, would be totally inadequate as compared compensation given to Indians of a reservation in the province of Quebec or elsewhere, more particularly to the Huron reservation of Lorette.

Mr. Speaker, I wanted to provide this information to the minister so that he could give full consideration to the recommendations that will be made not only concerning financial compensation but also with respect to a new allocation of land that would allow Indians to keep their reservation and to increase their numbers.

I am pleased that the minister has announced that this legislation will be referred to a joint committee for the convenience of those who have representations to make to the government. In addition, like the hon. member for Skeena (Mr. Howard), I hope that the minister and the government will welcome the recommendations made by the various Indian bands of the country, which, as I stated a moment ago, have different aspirations, according to the place where they live.

I am convinced that the minister will be fair as always, that he will allow the Indians who appear before the committee to make recommendations and that he will try to have those recommendations adopted to facilitate the enforcement of the regulations of the Indian claims commission.

Mr. Speaker, it must be remembered that this legislation is not meant to protect the government against the Indians but rather to enable the latter to enjoy their vested rights, their natural rights, in short to protect them against the government and the rest of the Canadian people.

I hope that the minister will dictate to the Indian Claims Commission the philosophy it must follow, making it clear that it is created to protect the Indians and give them all they are entitled to, even if some rights do not exactly correspond to the provisions of the law. In fact, the commission should take into account the general interest of the Indians and not only that of the government. I am convinced that justice can be done with regard to all Indians, wherever they live in Canada. Moreover, I am convinced that the various Indian tribes will greatly benefit from this if all the factors I have mentioned are taken into account.

• (5:00 p.m.)

[*English*]

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, I am very pleased to have this opportunity to add a few words to the debate on the second reading of Bill C-123, to provide for the disposition of Indian claims. I, like many other Members of the House, am very fortunate to have an Indian band in my riding, and I have always been very interested in their welfare.

In looking over the bill I support its general provisions, with a few exceptions which have been very adequately pointed out by my colleague the hon. Member for Peace River (Mr. Baldwin), who preceded me. I think the bill is quite an improvement over the proposals presented to the House in the fall of 1963. At that time our party and most of the Opposition took a pretty strong stand against the proposals, regarding them as

inadequate, but I think due to the representations made by our Indian friends themselves and the advice given by the Opposition at that time, the Government has now incorporated in this bill a lot of good, sound propositions.

In general, the main reasons why it is considered necessary to establish an Indian Claims Commission under special legislation I think I can enumerate briefly. There is a legacy of bad faith in the minds of the Indians which still has to be overcome. Some of their claims are not unreasonable but it is difficult to deal with them in the courts because of technicalities. It is desired to bring an end to some of these claims which have persisted for years and years. It is hoped to deal with all past claims by establishing a cut-off date by which claims must be filed. These principles have been incorporated in this bill.

There are a variety of claims which can be made, and I should like to enumerate one or two of them for the enlightenment of the House. The establishment of an Indian Claims Commission has been advocated for many years by Indians and by others to right the wrongs which the Indians claim they have suffered in their dealings with the white man, dating back to the early days of settlement. The claims range all the way from taking land without proper compensation being agreed upon by treaty or otherwise, the failure to discharge fully treaty obligations, and improper use of Indian trust funds, to general claims based not in law but on an alleged failure by Canada to deal honourably, fairly and in good conscience with the Indians.

The advantages of this new legislation over the 1963 bill are summarized roughly as follows. The term for consideration of the claims has been extended from two years to three years. The Indians will be given legal assistance in establishing their claims, which I think is a very important improvement over the original proposals of 1963. They will be given financial assistance in establishing their claims. This, of course, is also of great importance because of the financial incapacity of our Indian friends in many cases. The clause dealing with the Indian claims court is also a very important step.

I also note that in setting out the duties of the Commission staff other employment is prohibited. I think that is an excellent thing. It is good to know that this Commission will dedicate itself to working directly, intimately and consistently with the problems of the Indians alone. In other words, it will not be dividing its attention between this and other matters, so that the Indians will really feel that we are taking a serious look at the situation.

I do not want to take up the time of this House because I think we have already had a very good discussion. I was a little disturbed by the carping attitude of some of our friends in the N.D.P. about this legislation, because by and large it seems to me to be worthy of support. I feel that the Government is taking a proper stand in placing this resolution before the House and I look forward to its being considered by a joint committee at an early date. I am sure it will expeditiously be transferred into legislative action for the benefit of our first Canadians.

• (5:10 p.m.)

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I do not recall during the time I have been a Member of this House ever experiencing such a strange mixture of feelings as that which came upon me last night after examining the terms of the bill now before us. My feelings were of sorrow, rage, shame and disappointment. It seems to me quite incomprehensible that a Government of Canada, after having laboured for so long and so mightily in respect of the presentation they intended to make to us, should have produced the mouse they have produced.

The hon. Member for Skeena (Mr. Howard) made reference to the fact that the bill we are now discussing is almost identical in its important particulars to the one introduced last December, although he did point out certain minor changes that have been proposed.

When the Minister spoke on second reading, he indicated that he had received some 300 letters and briefs containing suggestions of changes to the draft bill that was circulated particularly among the Indian people across Canada. I was reasonably optimistic when I spoke yesterday at the resolution stage that when we had an opportunity of reading the bill we would find that we could accept it and give it our support with reasonably happy hearts. I am saddened and angered because, as far as I am concerned, that is not the case.

I find it difficult to comprehend how in this day and age, in the kind of world in which we as descendents of Europeans live—and I made some reference to this yesterday—it is possible that such an utter lack of imagination could be exercised in this kind

of legislation. When I spoke yesterday I said I had no hesitation in expressing my views that this subject placed before the House in the resolution involved perhaps the most important subject this Parliament would ever consider, and I have not altered my views that this subject placed before the in my view of the question as to whether the legislation itself dealt adequately with the subject matter of the resolution was one which would decide whether or not we as Canadians would be able to hold up our heads with pride in the world. It is my submission that because of the nature of this bill now before us we cannot do that.

Yesterday I made reference to a record which was made of a visit to Vancouver Island by a man named Gilbert Malcolm Sproat, who described the manner in which he had taken occupancy of the particular area of Vancouver Island, in which I live. Gilbert Malcolm Sproat in my view was a very enlightened and far-seeing individual in his day and generation. After his return to Great Britain he wrote a book, and in the concluding chapter he makes some observations on his experiences on the western shores of what is now Canada.

As far as I can determine, if we in this Parliament adopt this proposition today we will be at least 100 years behind the times. We will not have advanced beyond the horizons which were reached by Gilbert Malcolm Sproat 100 years ago. In my view the proposal now presented to us by this Government of Canada does not measure up to those standards which were envisaged by Gilbert Malcolm Sproat.

To illustrate my point in this regard I should again like to refer to and quote from a chapter of that book in which the author makes reference to the duties of government. I should like to read from page 288 where the author has written:

> In granting constitutions to colonies, the Crown should have insisted on provisions as regards the treatment of the natives; it should have reserved to itself a greater authority than it is now able to exercise, through its colonial governors, in directing the policy of colonial legislatures toward the aborigines. The rule of policy which requires that colonies must work their own way by their own energies, without expecting assistance from the parent country—a rule open, I think, from a national point of view, to various objections—is one that cannot, with justice, be strained to comprehend the treatment of the aborigines. The question is not whether colonists shall be assisted to build up their own fortunes, but whether certain conditions of their social state shall, without any mitigation, be allowed to exercise a deadly influence upon their fellow-subjects; whether they shall not be urged or impelled toward some system of counteraction which shall cancel or compensate for injuries so inflicted upon the native population. As already hinted, our best efforts might be futile; but there would be glory in the trial, and there would be some use in it, too, if it only showed clearly to the public, how far beyond any human capacity and the solemn duties and overwhelming responsibilities of an English statesman. May God raise up men among us for such work, and give them sound minds and the spirit of prayer!

• (5:20 p.m.)

> It must further be admitted, as regards Vancouver Island and British Columbia, that, notwithstanding laws for its prevention, a lucrative trade is carried on in many parts by the sale of spirits to the Indians. The destructive effect of this liquor traffic has been described in the last chapter. It is also the case that, wherever any considerable number of white men are congregated, their seduction, debauchery, and disease become the fate of the native females. Other injuries and discouragements, already alluded to—which, to a certain extent, are unavoidable—come upon the aborigines, through the occupation of their country by the settlers. Their hunting and fishing places are intruded upon, their social customs disregarded, and their freedom curtailed, by the unwelcome presence, and often unmannerly bearing, of those who are stronger than themselves. Admitting the lawfulness of the surplus of over-peopled civilized countries seeking homes, and building homesteads in new and thinly inhabited territory—admitting also their right to acquire property in such territory, in spite of the opposition of savages, who do not adequately occupy the land—it is a reasonable claim—a claim, indeed, of simple justice—that the injury done to the native population, as a whole, should be counterbalanced, not according to the Indians' poor ideas of gifts of food or blankets, but by a wise and paternal action of the Crown, in some practical way, on their behalf. It is unlikely, as already stated, that it would be possible entirely to prevent the evils mentioned. But it is surely incumbent upon those with whom the responsibility primarily rests to strive in every way to mitigate these evils; in such case, perhaps, though, in spite of these efforts, many Indian communities would be destroyed, others might be benefited, and perhaps regenerated.

If one compares the bill before us now with the ideas and ideals there set forth by Gilbert Malcolm Sproat, it seems to be it is evident that the bill, even when set against the yardsticks he used 100 years ago, is a pretty poor excuse for doing the kind of job of regeneration of the Indian committees still surviving within the borders of what is now Canada that needs to be done.

The bill proposes to set up two bodies, one of them a commission and the other an appeal court. So far as the provisions with respect to the constitution of the Commission are concerned, I suggest that the horizon of the bill is limited by the concept that the onus is going to be upon the Indian people themselves to establish that they have a claim or claims and that this is a reversal of

the situation that should prevail. In this day and age we should really recognize that a broad and basic claim exists and we should not require that the Indian people, through oral or written evidence, establish in the first instance that there is such a claim.

While one may agree or disagree with some of the details and mechanics of the bill, that is something that can be argued in committee. The thing we must consider and assess here is the basic concept and purpose of the Commission as proposed by the bill. In the bill the concept and purpose of the Commission as proposed are completely inadequate to the job that needs to be done. As I read the bill, apart from anything else the operations of the Commission are restricted to dealing only with actions taken by the Crown or by an officer, servant or agent of the Crown acting on behalf of the Crown. This leaves out of the picture the whole field of what may have been done by private citizens over the years since we occupied this country.

The Minister pointed out when he was speaking that the bill does not apply to actions taken by Provincial Governments since Confederation. I would have to agree with him that constitutionally we cannot alter what the provinces may have done, but I would suggest that we do not need to exclude actions which have been taken by provincial governments from the terms of reference of the Commission. We can take into account actions they have taken which have mitigated against the Indian people, actions which have ignored their just rights. We can take them into account, hear claims and accept the responsibility of the nation as a whole to see that compensation is available for actions of that sort taken by provincial authorities.

Goodness knows, when one looks into the record of the actions of the Province of British Columbia since 1871 when we entered Confederation there certainly is a wide area to be explored in detail in respect of what governments of that province have done concerning the rights of the Indians to land and many other matters. It is generally recognized that the whole outlook of the Government of the Province of British Columbia since Confederation toward the question of Indian land rights has been niggardly in the extreme and in many cases has resulted in actually taking away lands which were available to the Indians at the time of Confederation.

Some may try to make much of the fact that in the bill there is a new provision for some assistance to bands in making presentations to the Commission. But I would suggest that here again the horizon is so limited by the niggardly concept of the basic terms of reference of the Commission that once again there is proof of the lack of imagination which I referred to earlier in my remarks. The bill suggests that where the Commission is satisfied that a band does not have sufficient resources it may provide assistance and there is also provision for repayment by the band of part or all of the cost of such assistance. This merely emphasizes the point I was making earlier that the whole concept of the bill is to place the onus on the Indian people to establish in the first place that they have claims, and I suggest that is a principle this House should not accept.

The other body which the bill proposes to establish is the Indian Claims Appeal Court. Here again, the Exchequer Court of Canada is in effect going to be set up as the Indian Claims Appeal Court. Without in any way attempting to derogate from the Exchequer Court and its proper function in the structure of our Canadian society, I submit that by its very nature the Exchequer Court is not the kind of place to which appeals should be taken respecting Indian claims and that the people who comprise the membership of the Exchequer Court are not necessarily, by reason of their whole background and outlook, the most desirable people to discharge this function.

This again proves to me that the Government of the day has not gone beyond the colonial horizon of the Government of the United Kingdom of 100 years ago when Gilbert Malcolm Sproat wrote the book from which I have quoted. In fact, it seems to me they have completely ignored the reality of the desires of people throughout the world, who have been subject, to real emancipation. We have an example of this at the present time in our neighbour to the south, where the people of the southern part of that country, who have been subjected to indignities for centuries, are now working toward, desirous of and in some respects achieving true emancipation.

• (5:30 p.m.)

I know it is difficult for those of us not of the Indian race really to understand what is in the minds and thoughts of our Indian brothers. I have made some effort to do so among the Indian people in my own area

whom I have had the opportunity to get to know best. I say to you, Mr. Speaker, that I am convinced in my own mind that the Indian people are now ready and willing under some proper arrangement to let bygones be bygones, but if they are going to feel that bygones are bygones the method of bringing this about has to be based on a much broader concept and a much broader framework than this bill provides. They have to feel that they have been treated as are the people of Africa and Asia who are being given their freedom. It seems to me that the kind of concept that our Prime Minister (Mr. Pearson) was talking about in London in respect of Rhodesia is the kind of concept that should be put into this bill. If it comes to that, Mr. Speaker, I think it would be more fitting if the Prime Minister of Canada were in this House concerning himself with promulgating this concept here as it relates to our own aborigines than in London concerning himself with the people of Rhodesia.

Therefore, Mr. Speaker, I should like to propose an amendment to the motion for second reading. I move, seconded by the hon. Member for Vancouver East (Mr. Winch):

That Bill C-123 be not now read a second time, but that in the opinion of this House consideration should be given to the introduction of legislation that will provide for

(a) an Indian Claims Commission enabled by its terms of reference and its composition to assist the Indian peoples of Canada to prepare for disposition of all outstanding claims arising out of the occupation by non-Indians of territories now within Canada; to search out and hear evidence in relation thereto and to make such awards, both general and particular, as are just and fair, and

(b) an Indian Claims Appeal Court, the Presiding Officer of which shall be a jurist, other than a Canadian citizen, of international repute, which shall hear appeals from any decision of the Commission.

Mr. Deputy Speaker: The Chair has serious reservations as to whether or not this proposed amendment is in order. I should like to hear comments from hon. Members on the point of order.

Mr. Nicholson: I have very few comments to make. I would point out that the adoption of such a provision as the one relating to the appointment of an appeal court constituted of judges other than those of the Exchequer Court would involve an expenditure of funds which could hardly be proposed by a private Member.

Mr. Barnett: In so far as the point raised by the Minister is concerned, apart from any other considerations that may be involved, it does not seem to me to be a valid argument.

[Mr. Barnett.]

The form of the amendment is consistent with the form that is normally used to express the opinion of Members that the Government should agree to give consideration to doing something. In other words, it is in the form of the resolutions usually debated from time to time in this House. I submit the Minister has not advanced any ground for the disallowance of the amendment.

Mr. MacNaught: It would appear to me, Mr. Speaker, that the same purpose could be achieved by voting against the bill as is proposed by the amendment. The amendment says that this bill should not now be read a second time. This purpose could be achieved by voting against the bill. The amendment also refers to consideration being given to the introduction of legislation, but if that legislation were introduced by a private Member it would be out of order. I believe the substantial objection is the fact that the amendment is seeking to achieve something which could be achieved by voting against second reading.

Mr. Howard: I wonder if I may draw the attention of the Chair to Citation 382 of Beauchesne's Fourth Edition, which has been cited in this House on other occasions in substantiation of what we call reasoned amendments to the second reading of a bill.

It is also competent to a member who desires to place on record any special reasons for not agreeing to the second reading of a Bill, to move as an amendment to the question, a resolution declaratory of some principle adverse to, or differing from, the principle, policy, or provisions of the bill, or expressing opinions as to any circumstances connected with its introduction, or prosecution; or otherwise opposed to its progress; or seeking further information in relation to the Bill by Committees, Commissioners, the production of papers or other evidence or the opinion of Judges.

I submit that the hon. Member for Comox-Alberni (Mr. Barnett) has moved an amendment within the provisions of citation 382 by proposing a resolution which is declaratory of some principle adverse to or differing from the principle, policy or provision of the bill, and also expressing an opinion as to the circumstances connected with its introduction and prosecution. I submit it is a reasoned amendment because it does make that declaration in at least two instances.

Mr. Deputy Speaker: The reservation which the Chair had a moment ago had to do with the thought that perhaps this amendment anticipated the committee stage. However, I am in full agreement with the hon. Member for Skeena (Mr. Howard) and his colleagues who have argued in support of the

amendment, that this is a reasoned amendment within the terms of citation 382. There may be a slight difficulty in connection with subparagraph (b) which may perhaps involve an expenditure of money which has not been authorized at this stage. In any event, these difficulties are not too apparent and for these reasons the Chair is disposed to accept the amendment.

Is the House ready for the question?

The House divided on the amendment (Mr. Barnett), which was negatived on the following division:

• (5:40 p.m.)

YEAS

Messrs:

Barnett	Knowles
Brewin	Martin (Timmins)
Cameron (Nanaimo-Cowichan-The-Islands)	Mather
Douglas	Peters
Herridge	Prittie
Howard	Saltsman
	Winch—13.

NAYS

Messrs:

Addison	Francis
Badanai	Gauthier
Balcer	Gelber
Batten	Godin
Beaulé	Gray
Béchard	Grégoire
Bell	Groos
Benson	Guay
Berger	Gundlock
Blouin	Habel
Boulanger	Hahn
Boutin	Hales
Cadieu (Meadow Lake)	Harkness
Cadieux (Terrebonne)	Harley
Cameron (High Park)	Hellyer
Cantelon	Honey
Cantin	Horner (The Battlefords)
Cardiff	Irvine
Cardin	Jewett, Miss
Caron	Jorgenson
Carter	Kelly
Chrétien	Kennedy
Churchill	Lachance
Coates	Laing
Côté (Chicoutimi)	Lamontagne
Cowan	Laniel
Crossman	Laverdière
Crouse	Leblanc
Danforth	Lessard (Lake St. John)
Deachman	Lessard (St. Henry)
Dionne	Loiselle
Doucett	Loney
Drouin	Legault
Dubé	Macdonald
Emard	MacEachen
Ethier	MacEwan
Fairweather	MacInnis
Fane	Mackasey
Flemming (Victoria-Carleton)	MacLean (Queens)
Forest	MacNaught
Forgie	Macquarrie
Foy	MacRae
	McCutcheon

Division

McIlraith	Rapp
McIntosh	Regan
McLean (Charlotte)	Rhéaume
McWilliam	Ricard
Marcoux	Rideout, Mrs.
Martin (Essex East)	Rinfret
Martineau	Robichaud
Matheson	Rochon
Matte	Rock
Monteith	Rondeau
Moore	Roxburgh
More	Ryan
Moreau	Sharp
Morison	Southam
Muir (Cape Breton North and Victoria)	Starr
	Stefanson
Mullally	Stenson
Munro	Stewart
Nasserden	Tardif
Nesbitt	Teillet
Nicholson	Temple
Nielsen	Thomas
Nugent	Tremblay
O'Keefe	Tucker
Olson	Turner
Otto	Vincent
Pascoe	Wadds, Mrs.
Patterson	Wahn
Paul	Walker
Pennell	Watson (Assiniboia)
Pepin	Watson (Châteauguay-Huntingdon-Laprairie)
Pigeon	
Pilon	Webb
Prud'homme	Whelan
Pugh	Winkler—153.

• (6:00 p.m.)

Mr. Deputy Speaker: I declare the amendment lost. Is the House ready for the question on the main motion?

Mr. Cameron (Nanaimo-Cowichan-The Islands): May I call it six o'clock, Mr. Speaker.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED UNDER ADJOURNMENT MOTION

Mr. Deputy Speaker: Order. It being six o'clock it is my duty, pursuant to provisional standing order 39A, to inform the House that the questions to be raised at ten o'clock p.m. this evening are as follows: The hon. Member for Winnipeg North Centre—labour conditions—inquiry as to amendment of Fair Wages and Hours of Labour Act; the hon. Member for York-Humber—administration of justice—Toronto—production and C.B.C. showing of sex exploitation film; the hon. Member for Cumberland—Expo '67—request for consideration of expenditures by House Committee.

It being six o'clock the House will now proceed to the consideration of private Members' business as listed on today's order paper, namely private bills.

Private Bills

PRIVATE BILLS

INTERPROVINCIAL PIPE LINE COMPANY

The House resumed from Tuesday, June 8, consideration of the motion of Mr. Wahn for the second reading of Bill No. S-7, respecting Interprovincial Pipe Line Company.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I have only one or two words to say on this bill, which came before the House last year. I notice the mover has not taken the opportunity to refer to that bill, but it is worthy of note that the explanatory notes in the bill this year are more in keeping with the intentions of the company. It is a fact—

Mr. Deputy Speaker: May we have order, please. It is extremely difficult to follow the hon. Member with conversations going on in the House at this time.

Mr. Peters: It appears that the explanatory note indicates the intentions of the company, but I think the mover should have explained them. It was explained to me that there is an interest to keep the price range of the stock within the reach of those who purchase stock on the market, namely around $20 to $25. The reason for this, as explained to me by the company, is to allow more people to participate in the stockholding of the company. It would also bring the price within the range of Canadians, thus making it easier for more Canadians to participate in the company.

If this explanation is true, and I believe it is, when the bill returns from committee I would be prepared to move a motion to split the stock still further, because I should like to see an additional split. It is worthy of note that it has already been split ten for one, and it is now being split five for one, which in effect means that the original issue has multiplied 50 times. If the argument that bringing the stock within a reasonable range would allow more Canadians to participate in the stockholding of the company does hold water, at the present market value, which is about $88 a share, the present split would bring the price to about $18. But splitting the stock again ten for one would have the advantage of bringing the stock value down to approximately $1.80 to $2 per share, with the result that this would accomplish the end explained by the company and would be in keeping with the suggestions which have been made, that the lower the price of the stock the more opportunity would be provided Canadians to buy the stock of this company.

About 25 per cent of the total capital of this company is in stock, the remainder being in bonds at very low interest rates. This makes it possible for the company to pay a better than average dividend, better than that which they have regularly been paying for a number of years. I would suggest this explanation is much more honest than the one advanced last year, which was that if we reduced the stock value it would allow workers in the company to buy it. That was a lot of eyewash, as I think everyone who looked at the bill was aware. The company was not issuing half a share of stock every pay day, or anything like that, but was issuing certain stock over periods worked by the employees of the company. It seemed unreasonable to me that an employee would receive one share for $9 or even ten shares for $90, and that this would apply on a monthly or pay day basis. Therefore an agency would buy shares on behalf of the employees, so it really did not make any difference in relation to the cost of the stock.

• (6:10 p.m.)

The argument being used is one which would probably be accepted by most companies in this field who feel that when a share reaches a value of $100 it is in a class the average purchaser cannot afford. This means that for 90 shares a purchaser would have to pay $9,000. This is not considered to be a large block in the investment picture. The smaller blocks are difficult to come by, and therefore are not in keeping with opportunities flowing to individual purchasers with a desire to purchase stock of the $10 to $20 class.

I see nothing wrong with the explanation made and I hope the committee will be able to ascertain the advantages of stock splitting in terms of greater participation by individuals wishing to purchase small amounts. I hope some consideration will be given to more extensive stock splitting so that these companies will not have to return to parliament every two or three years, as they have done in the past, to split the stock five to one, but will be allowed to split them 50 to one.

In order to give an opportunity to other Members to participate in the debate on this matter, I am prepared to allow this to be referred to the committee in the hope that it will give some consideration to the discussions which took place last year. The com-

mittee of this year should take advantage of the suggestions and discussions of last year's committee so that these companies will not have to return to parliament in a short period of time for a new stock split.

Motion agreed to and bill read the second time.

Mr. Deputy Speaker: Pursuant to Standing Order 105 the said bill is now referred to the Standing Committee on Transport and Communications.

LAURENTIDE BANK OF CANADA

The House resumed from Thursday, June 10, consideration of the motion of Mr. Basford for the second reading of Bill No. C-95. to incorporate Laurentide Bank of Canada, and on the proposed amendment thereto of Mr. Bélanger.

Mr. Grant Deachman (Vancouver Quadra): Mr. Speaker, in the absence of the hon. Member for Vancouver-Burrard (Mr. Basford) with whom I have discussed this bill, I should like to make a few remarks before its passage.

After the many explanations that have been made in respect of this bill, I am sure that no one in the House will want to deny any longer to the people of British Columbia the opportunity of having a banking institution, with its head office located in that province, or the right to do their banking through a commercial banking institution, the privilege enjoyed daily by people in provinces such as Ontario, Quebec and Nova Scotia.

So many have spoken about this bill, in argument both for and against, I am sure hon. Members are now ready to vote on the motion. I hope they will vote in favour of this motion so that the people involved may go ahead with the incorporation of this institution, allowing the people of British Columbia to enjoy the advantages of the establishment of a banking institution with head offices in that province.

Mr. Deputy Speaker: Is the House ready for the question?

Mr. Arnold Peters (Timiskaming): Mr. Speaker, before this motion is carried I should just like to say that there are controversial aspects to this bill which have been discussed at some length in the House in recent months. We in this party are perfectly willing to allow this bill to be referred to the committee for discussion, on the understanding that that committee will have the opportunity of hearing from expert witnesses and officials, in order to find the answers to some of the questions that have been raised.

Mr. Deputy Speaker: Is the House ready for the question on the amendment?

Some hon. Members: Question.

Mr. Deputy Speaker: All those in favour say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

Amendment (Mr. Bélanger) negatived.

Mr. Deputy Speaker: Is the House ready for the question on the main motion?

Some hon. Members: Question.

Motion agreed to and bill read the second time.

Mr. Deputy Speaker: Pursuant to Standing Order 105 the said bill is now referred to the Standing Committee on Finance, Trade and Economic Affairs.

BANK OF WESTERN CANADA

The House resumed from Tuesday, June 15, consideration of the motion of Mrs. Konantz for the second reading of Bill No. C-99, to incorporate Bank of Western Canada, and on the proposed amendment thereto of Mr. Laprise.

Mr. D. G. Hahn (Broadview): Mr. Speaker, the mover of this bill is not in the House, but I am sure the bill has been before the House for a long enough period of time that most hon. Members are familar with it. It is my hope therefore that the House will pass it today.

Mr. Deputy Speaker: Is the House ready for the question on the amendment?

Some hon. Members: Question.

Mr. Deputy Speaker: All those in favour will say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those against say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

Amendment (Mr. Laprise) negatived.

Private Bills

Mr. Deputy Speaker: Is the House ready for the question on the main motion?

Mr. Arnold Peters (Timiskaming): Mr. Speaker, again this bill is controversial, and one in respect of which many questions have been asked over a period of two years as to whether the interest of Canada can be well served by the establishment of an additional bank which has wide international financial complications. This matter is a serious one and I hope the committee will have the means of considering the problems associated with it in arriving at certain answers to questions. For that reason we have no objection to allowing this to go to the committee for a detailed study. I am sure that committee will take into consideration the relationship of this bill to bills in respect of other proposed bank establishments. We in this party hope that the committee will be able to decide whether this bill, as well as the bill with which we just dealt, is designed in such a way as to satisfy the arguments which have been advanced. We hope answers will be forthcoming in respect of those questions regarding the establishment of additional banks in various parts of the country, and that the principles herein meet all the conditions proposed by those questions.

• (6:20 p.m.)

It should be pointed out, Mr. Speaker, that these probably will be the last two banks to come before the House of Commons to seek incorporation by way of private Members' bills because the House has seen fit to pass legislation, recommended by the hon. Member for Skeena (Mr. Howard), which from now on will mean that those seeking to incorporate a bank will be able to do so under regulations to be laid down, rather than through a private bill in the House of Commons. In looking at this bill I think the committee will have to keep in mind the regulations that are going to apply with respect to similar incorporations in the future.

Motion agreed to and bill read the second time.

Mr. Deputy Speaker: Pursuant to Standing Order 105 the said bill stands referred to the Standing Committee on Finance, Trade and Economic Affairs.

[Mr. Deputy Speaker.]

BANK OF CANADA ACT

AMENDMENT TO CHANGE FORM OF BANK NOTES

Mr. Maurice Côté (Chicoutimi) moved the second reading of Bill No. C-9, to amend the Bank of Canada Act (form and material of notes).

[*Translation*]

He said: Mr. Speaker, I should like to deal very briefly with this bill because recently the Minister of Finance (Mr. Gordon) made a very interesting decision resulting in the inclusion in a bill to amend the Bank of Canada Act of a bill which I have introduced in the house for the third time.

When I introduced my bill, I said that in fact our bank notes bear a deceiving reference, which could mislead the public with regard to its true nature. In fact, on our bank notes it is said that they are payable to bearer on demand.

Every member in this house knows that since 1940 our bank notes are not backed by a gold reserve. That is why I introduced this bill; it is useless for our bank notes to bear this reference which is misleading for the public.

I remember very well hearing some people use this as an argument to prove that our currency is still backed by gold. As a matter of fact, that guarantee was removed in 1940, and the Minister of Finance himself stated recently as recorded in *Hansard*, on page 1282:

> A related amendment is proposed in respect of notes of the Bank of Canada to remove the description "payable to bearer on demand". Since these notes are themselves legal tender and have never, in fact, been convertible into gold, the present wording is unnecessary and in some quarters liable to misinterpretation.

Therefore, I was very happy when the Minister of Finance made that statement, because it confirmed the principle of the bill I introduced in the house for the third time. It was on that occasion that I expressed publicly my satisfaction and said that the minister had actually incorporated my bill in his.

In view of the circumstances, I do not think a lengthy discussion of the subject is necessary at this time. In fact, my bill is being incorporated in the minister's bill and will be passed when the government's legislation itself is enacted by the House of Commons.

Anyhow, I avail myself of this opportunity to thank the Minister of Finance for having

kindly incorporated this bill in his, thus proving that my proposals in that respect were sound and factual, in spite of newspaper reports that may have been published from time to time and which seemingly endeavoured to show to the public that the matter was of no great importance. As a matter of fact, Mr. Chairman, it is a very important matter for one has no right to sow the seeds of error.

Finally, I should like to say that it would be proper to replace those words by the expression "legal tender" on our currency, as it is done in several countries. That expression should appear on the Bank of Canada notes because the latter are the legal tender in our country.

That is all I have to say on the matter, Mr. Speaker, and again I commend the government for having accepted my bill by incorporating it in its legislation to amend the Bank of Canada act.

[*English*]

Mr. S. Perry Ryan (Spadina): Mr. Speaker, Bill No. C-9 introduced by the hon. Member for Chicoutimi (Mr. Côté) is in my humble opinion a very excellent bill. The explanatory note is quite interesting. It reads as follows:

> The purpose of this bill as stated therein is to provide that bank notes shall not be inaccurate and misleading. As for example: at present the notes issued by the Bank of Canada are certainly misleading and inaccurate from the fact they contain the following statement or bear the words: "Will pay to the bearer on demand". These notes being legal tender, it is misleading for such words to be printed on Bank of Canada notes.

I cannot quite agree with the hon. Member's explanatory note in all respects, but in some respects I do. I cannot agree with him when he takes objection to the words "will pay to the bearer on demand" because I would think it is much better to have bills payable to the bearer on demand than to have bills that are payable on a due date possibly five years from now. I do not think a one dollar bill or any other bill would be of very much use to the public, financiers or financial institutions if it were not payable to the bearer on demand.

To go back to the origin of money, it seems to me that the original bills that were circulated really evolved from the promissory notes that people used and bills had to be payable to the bearer on demand to be of any utility in trade and commerce and banking circles.

• (6:30 p.m.)

I think to some degree the criticism advanced by the hon. Member for Chicoutimi (Mr. Côté) is fair. I have here a dollar bill, and I think that all bills issued by the Bank of Canada can be criticized to some degree. As I said, I have a dollar bill in my hand. On the back it has an interesting picture, apparently of a flat section of prairie. There is shown in the picture, a road and a grain elevator, some telephone poles and what looks like tall grass on one side and short grass on the other side. I do not see any snow blowers or Cadillacs travelling the road. I believe this is a summer scene, Mr. Speaker.

Mr. Fairweather: Will the hon. Member permit a question?

Mr. Ryan: Yes.

Mr. Fairweather: In the picture on the dollar bill is there any semblance of a Member of Parliament trying to talk out a bill?

Mr. Ryan: Well, there is a very good looking fellow in one corner. This is a green bill, and possibly he is a little Irish. However, it was not that particular feature of the bill with which I was concerned. I was trying to get over to the other side, actually.

Now, on the other side of this dollar bill there is a good picture of Her Majesty the Queen. On the left side, à gauche, it says one dollar, and on the right, à droite, it says un dollar. This bill was made by the British American Bank Note Company Limited; that is a kind of multi-cultural company, I suspect. It is signed by J. R. Beattie, Deputy Governor of the Bank of Canada and by L. Rasminsky, the Governor of the Bank of Canada. Louis' signature is rather hard to make out, Mr. Speaker.

What really disturbs, agitates and excites me about our dollar bill is the fact that it has on it, "will pay to the bearer on demand", or, in French, "paiera au porteur sur demande". Then, it simply says, "one dollar". Apparently the Bank of Canada promises to pay to the bearer on demand one dollar. I take it that if you take your dollar to Mr. Rasminsky and say "Here is a dollar bill; I am the bearer. The bank promised to pay me one dollar," he will give you another dollar which looks almost the same as the first one, except perhaps the serial number. So, you end up much better off than you were before. Now, that is the situation in respect of the one dollar bill.

I have in my hand now a ten dollar bill. You are aware that at one time the banks

used to be permitted to print their own currency. They used to pay the bearer on demand in gold. I understand that for every dollar they had on deposit they could print their own bank notes and extend credit to the extent of twenty for one. This was a very good way of making money. If you can get interest at 6 per cent on $20, it is better than getting it on one dollar.

However, if I may get back to this very interesting ten dollar bill. It is a particularly pretty purple colour. On the back of the bill there is a very interesting scene. It is sort of half summer and half winter because apparently it is a picture of part of the Rocky Mountain Range in Western Canada. I cannot tell you whether or not it is in Alberta or British Columbia.

Mr. Deputy Speaker: Order, please; I wonder if the hon. Member's remarks are entirely relevant to the bill before us. I suggest that he bear in mind the fact his remarks at this time should be relevant to the bill proposed by the hon. Member for Chicoutimi.

Mr. Ryan: I will bear your admonition very much in mind and I will try to be relevant to the bill at hand. We will get back to the bill so there will be no problem of relevancy. I quote from clause 1:

> Subsection (4) of Section 21 of the Bank of Canada Act is hereby repealed and the following substituted therefor:
>
> (4) the form and material of notes shall be subject to approval by the Minister, but such notes shall not contain any wording which is misleading or which might deceive the public as to the true nature thereof, or of the obligations incurred by the bank in issuing them and all notes shall be printed in both the English and the French language.

Now, Mr. Speaker, this ten dollar bill is certainly printed in both the French language and the English language. It, too, has on it the words, "will pay to the bearer on demand", and the words "paiera au porteur sur demande".

Mr. Patterson: I wonder if the hon. Member will permit a question?

Mr. Ryan: Certainly.

Mr. Patterson: I wonder if the hon. Member would like us to get extra copies of *Hansard* for today and send them to his constituents?

Mr. Ryan: I do not believe it would trouble them too much. I would not want to pay for the extra copies, but it would not bother me very much if they were supplied with them by the hon. Member for Fraser Valley.

I am sure that by this time there are quite a few other Members who will be anxious to speak on this particular measure. In addition to this ten dollar bill, I have a twenty dollar bill here.

Mr. Gelber: Table it.

Mr. Ryan: I hope the hon. Member will not insist that I table it. This is all I have left to last me for the week. I see there are one or two others who would like to say a few words on this important subject, so I reluctantly take my seat.

• (6:40 p.m.)

[*Translation*]

Mr. Vincent Drouin (Argenteuil-Deux-Montagnes): Mr. Speaker, I did not expect to speak on Bill No. C-9 tonight. I did not anticipate that it would be called tonight but I am pleased with this opportunity of commending the hon. member for Chicoutimi (Mr. Côté) who took the fine initiative of introducing this bill.

It is quite seldom that I can congratulate a political opponent or hon. members opposite but tonight, I think the hon. member for Chicoutimi deserves congratulations especially in view of the fact that his bill has been fruitful; indeed if it is not passed tonight, we have good reasons to think that the principle behind it will appear in forthcoming government legislation.

The hon. member for Chicoutimi was right in pointing out the meaningless statement found on our banknotes and which reads:

> Will pay to the bearer on demand.

Personally, I have never tried to secure payment of a $1, $10 or $20 note from the governor of the Bank of Canada, but I imagine that if I had called at his office to obtain payment of a banknote, he would have been just as muddled as any of us, because, as others have stated before me, there is no longer any reserve, any gold reserve to back the money in circulation; rather, our money is backed by the country's productive power, and gold is of no more account than any other metal in guaranteeing our money issues.

I do not intend to repeat the words of my colleague who preceded me. He has already spoken about $1, $10 and $20 notes, he failed, however, to speak about $2 bank notes. Now, I do not intend to read what is written on it nor emphasize my admiration for the magnificent scenery on the back of those

notes. Rather I will take this opportunity to point out another improvement that could be made on our bank notes.

Our bank notes are in a way the best means of publicity at our disposal in Canada. I wonder if bank notes could not be used to pay tribute to certain Canadian personalities. I am not against monarchy. I would not want to remove systematically the likeness of Her Gracious Majesty Elizabeth II from our bank notes, but I wonder if, the likeness of one or of several great Canadian personalities could not appear on some bank notes as it was done in the case of postage stamps. As for me, I should like to see, for instance, on the bill I am now holding, the face of Sir Wilfrid Laurier, who played such a prominent role in the history of our country and who, after a fashion—

Mr. Rondeau: Mr. Speaker, I rise on a point of order. The hon. member's remarks are definitely out of order as they have absolutely no bearing on the topic before the house.

Mr. Drouin: If you will allow me, Mr. Speaker, I shall refer to the first line of the proposed amendment:

> The form and material of notes shall be subject to approval by the Minister.

I feel that the picture to be reproduced on the notes has a bearing on the form of the bank notes, and that I am therefore in order when I speak of the form of the bank note and even when I discuss its details.

The form must not be limited to the physical form of the bank note but extended, in my opinion—

Mr. Deputy Speaker: Order. The hon. member for Shefford has raised a very interesting point of order. He pointed out to the Chair that the hon. member for Argenteuil-Deux-Montagnes seemed to have gone beyond the rather restrictive limits of the bill under consideration. The hon. member who has the floor is alluding to the first two lines of clause 4 of the Bank of Canada Act now under consideration. I remind him that when we are considering a bill amending enacted legislation, it is permissible to discuss the amendment but not the act which is being amended.

Under the circumstances, although the remarks he is making now are extremely interesting, I would ask the hon. member to keep as much as possible to the bill under consideration.

Mr. Drouin: Mr. Speaker, if I may be permitted, I will read the new clause (4) as proposed, because the amendment deals essentially with the wording of a new clause (4); I quote:

> Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada enacts as follows:
>
> Subsection (4) of section 21 of the Bank of Canada Act is repealed and the following substituted therefor:

Now, what is the amendment? This is exactly what is proposed: "That it be substituted at subsection (4)". I read this amendment and not the text of the act, but strictly the amendment—

Mr. Deputy Speaker: Order. I remind the hon. member that a ruling has been made by the Chair and that he must comply with it. He is not allowed at this time to discuss the ruling given by the Chair. He has been permitted by the Chair to go on with the remarks he started to make, provided they deal with the subject matter of the bill now before us.

Mr. Drouin: It is not that I do not want to abide by your ruling, Mr. Speaker. On the contrary, I respectfully comply with it. But while deferring to this ruling and strictly adhering to the pertinence of the debate, I would like, for my own guidance and that of other members, to read the text of the amendment.

It reads as follows:

> The form and material of notes are subject to approval by the Minister, but such notes shall not contain any wording which is misleading or which might deceive the public as to the true nature thereof, or of the obligations incurred by the bank in issuing them and all notes shall be printed in both the English and the French language.

It seems to me that in speaking on this amendment, I am not disregarding the ruling you made a moment ago, because it deals with the form and the material of bank notes.

I have nothing to say about the material of notes; it is of the highest quality and the paper compares favourably with that used for bank notes in other countries.

Mr. Rondeau: Mr. Speaker, I want to point out that the hon. member comments once again on your ruling. You have rendered a ruling enjoining him to keep strictly to the principle of the bill. Now, the hon. member disputes the merits of your decision.

Mr. Drouin: Mr. Speaker, I repeat what I said following your ruling. I abide by your

ruling, but I feel that the debate deals essentially with the amendment, as you rightly pointed out earlier.

Therefore, I strictly confine myself to the amendment, to the new wording proposed in paragraph (4) of section 21 of the Bank Act. Since the amendment deals precisely with the material bank notes are made of, I maintain that I am not out of order when referring to it.

Mr. Deputy Speaker: Order. I cannot accept the hon. member's interpretation and I remind him of what I said a few minutes ago, namely that the amendment to the resolution under consideration reads as follows. I am quoting now the underlined part of the new act:

—but such notes shall not contain any wording which is misleading or which might deceive the public...etc.

Those are the terms of the amendment and the essence of the bill itself. I therefore ask the hon. member to restrict his comments to this aspect of the matter.

Mr. Drouin: Thank you, Mr. Speaker. In the light of your last words, I will change my subject matter especially since other members wish to speak, I am told, and it is already 6.50 p.m.

Before concluding my comments, I would like to say once more that I entirely agree with the principle of the bill and sincerely hope that this amendment will come into force as soon as possible.

• (6:50 p.m.)

[*English*]

Mr. D. G. Hahn (Broadview): There are a few reasons why I am opposed to this bill. I am not raising a point of order at this time but it would seem to me that if this amendment were made it would be necessary to withdraw our currency. It would have to be re-issued, and the process would be expensive.

If we are to do this at all, we must be perfectly sure of the reasons for doing it. I think the proof of the pudding is that the present system works. You can take these notes into a store and buy anything you like as long as you have enough of them. I suggest that if we make a change of the kind now proposed, we should do a complete job; we should not make one specific change without bringing in a great many other changes which might result in improvements. I will give a brief indication what some of these things might be.

At present, for instance, our bills come in a series of colours. We might improve them by changing the colour system. Luminous paint of various colours might end the business of groping in the dark to find the particular unit of currency we are looking for. In the second place we might improve the over-all artistic character of our bills. I happen to have a ten-franc note in my pocket; I have been carrying it around for some time. As a piece of art work it is infinitely superior to our own bills. If we are altering our currency or changing the design we ought surely to try to make it more attractive.

Then we might give serious consideration to changing the denominations. Who can go into a store today and buy anything costing $1 or $2 or $5 or $10? I think we should introduce new denominations of $1.98, $3.98, $4.99, and so on. This would be useful and it would avoid having our pockets full of coppers, which we only lose, anyhow.

There is another suggestion which the House might consider at the same time. Perhaps we could leave blank spaces on parts of the new bills. All of us have had the experience of being in a telephone booth at some time or another. We get a message we need urgently to take down; we scramble for a piece of paper on which to write it. We find nothing. But most people generally have a dollar bill in their pockets. If there were a little blank space left on it, it could serve a dual purpose—not only spending money but a space on which to jot down notes until they can be transferred to a more permanent place.

The hon. Member may have valid reasons to advance in favour of the change he wants to bring about. I think I have valid reasons for mine. So let us hold up passage of this bill until we can bring about a real overhaul of our paper currency.

[*Translation*]

Mr. Côté (Chicoutimi): Mr. Speaker, would the hon. member allow me a question?

Mr. Hahn: Yes.

Mr. Côté (Chicoutimi): I would like to ask the hon. member who has just spoken if he will vote against Bill No. C-101 submitted to the house by the Minister of Finance (Mr. Gordon) and to which we will be asked to give second reading soon. Will he vote against it because he says that it will eliminate the words "will pay to the bearer on demand"?

If he votes against that bill, he will be voting against his own government.

[*English*]

Mr. Hahn: I am not against this bill because of the specific change suggested by the hon. Member. I just say he does not go far enough.

An hon. Member: Tell Walter that.

Mr. Marvin Gelber (York South): The comments just made by my hon. friend remind me of the story of a man who had his own bank note company. He had a machine printing $20 bills. Perhaps because he did not pay sufficient attention to the operation it began making $19 bills. The man was perturbed but his partner said: "Don't worry, we will get rid of them". On his advice they went to a hardware store in Kalamazoo, approached a cashier with one of the bills and asked her to change it. "Certainly sir" she replied. "Would you like to have a twelve and a seven?"

The hon. Member for Chicoutimi (Mr. Côté) read to the House the words he wanted removed—"payable to bearer on demand"—and said they referred to the gold standard. He is right. These words are vestigial remnants. I endorse what the hon. Member said about the gold standard. It is a conception which severely restricted economic development. In 1925, the action of Britain in returning to the gold standard at $4.86⅔ to the pound led to a million men being turned out of work, and subsequently to a general strike. I believe the hon. Member has made an important point in bringing this bill to the attention of the House and to the attention of the public. It emphasizes once more the fact that we are living in a managed economy. Professor Keynes called the gold standard a sacrificial altar, a statement which gives all of us food for thought.

Again I believe we should be grateful to the hon. Member for bringing this important subject to our attention this afternoon.

Mr. Robert Temple (Hastings South): Like other people, I am concerned from time to time with money, or the lack of it. I suppose we are all very much in favour of bank notes—the ones issued by the Bank of Canada rather than the ones certain of us have to sign at the bank from time to time for post-election expenses.

Removal of the words "payable to bearer on demand" would, as my hon. friend from Broadview (Mr. Hahn) has said, necessitate taking them out of circulation and, as I understand it, the party to which the hon. Member for Chicoutimi (Mr. Côté) belongs is in favour of putting more money into circulation rather than of taking money out of circulation.

The suggestion has been made that various portraits could be placed on our currency. I understand that a picture of John A. Macdonald—

Mr. Deputy Speaker: I regret to have to interrupt the hon. Member but it being seven o'clock the House will now resume the business which was interrupted at six o'clock.

INDIAN CLAIMS COMMISSION

PROVISION FOR ESTABLISHMENT, DUTIES, ETC.

The House resumed consideration of the motion of Mr. Nicholson for the second reading of Bill No. C-123, to provide for the disposition of Indian claims.

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): I do not propose to detain the House long on this question of Indian claims. I was struck by the comment of one of the Members of the Official Opposition who expressed surprise at the attacks made on this measure by Members of this party. I would point out that it is no coincidence that those from this party who have attacked this legislation all come from British Columbia. There is a reason for this. We in British Columbia are closer in time to the degrading experiences to which the native population has been subjected. Those of us who have friends among the Indian population know from personal contact with them the sort of treatment they and their fathers have suffered. It is so recent, in British Columbia; memory need go back no further than this.

• (7:00 p.m.)

I am disturbed by the fact that this bill makes no effort whatsoever to deal with what I would call the intangible injuries inflicted on these people—the deep psychological wounds which cannot be measured in the narrow, legalistic terms of the bill before us, now. I have a great many Indian friends. A few years ago when I was in Vancouver I received a message from one of the Indian chiefs off the coast of British Columbia. He was an extremely eminent Indian leader, a man who, I have not the slightest doubt, if fate had placed him in different surroundings, would have been, not chief of the Cape Mudge tribe of the Kwatkiutl Indians, but Prime Minister of this country. He was a man of tremendous capacity, intelligence, shrewdness and perception who, on becoming chief at the age of 18, saw what

would happen to his people with the beginnings of the white invasion of his country and forcibly wrenched them out of their primitive surroundings and made them equip themselves to cope with the white man's world.

A few years ago when living in Vancouver I had a message from this old gentleman to ask me if I would take two of his grandsons into my household in Vancouver so that they could go to high school there, because the local high school close to where he lived refused to take Indian children. We took the two boys into our household and one could not find two nicer young men anywhere. Yet this is what they had been subjected to. Those lads knew that they had been sent down there because their white neighbours on that part of Vancouver Island decided that they were not good enough to attend school with their children. Then there have been other specific cases where other intangible injury has been done to them.

I was interested to hear the Minister speak earlier in rather contemptuous terms of all the other "ologies" suggested as the sort of disciplines and vocations members of the Commission should perhaps have been trained in. I would suggest to him that that expression which he used this afternoon indicates that he knows very little, very little indeed, about what has been done to the Indian population of the province which he represents as a Member of the Cabinet. Possibly he does not even know what a disastrous and dislocating effect the banning of the potlatches to the coast Indians entailed. The authorities decided, in their wisdom, that these were just drunken orgies in which chiefs competed with each other in extravagance in the giving of gifts. No one with any training as an anthropologist would have been satisfied with that explanation. The very slightest investigation would have shown him that the role of the potlatch in the lives of the Indians on the Pacific Coast was an extremely important one because it was at these gatherings that all the marriages were arranged.

Marriage among native Indians of British Columbia is quite a complicated and difficult problem, because there must not be marriage between people of the same clans. The clans are widely distributed among many bands and many tribes. But it was only at these potlatches that the old men and women who had the genealogies in their minds could O.K. proposed marriage arrangements between the young men and women. When the potlatches were abandoned it broke one of the vital elements in Kwatkiutl culture, and this was due to the ignorance of the people who conducted the affairs in British Columbia on behalf of the Government of Canada in connection with the Indians.

I would suggest to the Minister that instead of being so contemptuous of the suggestion that—

Mr. Nicholson: Mr. Speaker, I rise on a question of personal privilege. I let a similar remark go by the first time, but the hon. Member has no right to put words into my mouth. I did not use contemptuous language this afternoon. I referred to the fact that suggestions had been made regarding the use of anthropologists, sociologists and I said a number of other "ologists" had been included. I was not being contemptuous; I was using it as a descriptive phrase, and the hon. Member is now repeating his earlier remark. I ask that he withdraw it.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Then if I misunderstood the Minister, I will willingly withdraw; but on the other hand it seemed to me that I distinctly heard a somewhat contemptuous inflection in his voice when he said "and I do not know how many other ologies had been suggested". To me this bore the connotation of a certain contempt for the suggestions. However, as the Minister has said he had no such intention, I am ready to apologize to him for having not put words into his mouth but perhaps put inflections into his voice.

Let me come to a more concrete case of injury to the Indian people, inflicted this time by the Indian affairs officials of the Department of National Health and Welfare. Among my Indian friends there is a young man who went to school with my children, who is a close personal friend of my son's, a young man who is now a chief in his tribe. He is also a teacher and he was teaching at the time at the school in Hazelton, which is an amalgamated school; that is to say, he described it to me as being attended by approximately 50 per cent white children and approximately 50 per cent Indian children.

In 1960 this young man came to visit me in my home on Vancouver Island. He happened to be down visiting his family and he called on us as old friends. He told me of a horrifying experience he had had at Hazelton when he and his fellow teachers were instructed by officials of the Federal Government

in the Department of National Health and Welfare that the Indian children were to attend in rotation a dental clinic which had been set up for three days in Hazelton to deal with Indian dental problems.

They despatched the children as instructed, so many at a time, and he said that it was not until well through the first day that they suddenly realized what was happening to these children. When the children came back to school their mouths were streaming with blood. The staff, including my young Indian friend, made inquiries and found that these dentists who had been sent by the Government of Canada to deal with the dental problems of the native population were not even contemplating saving teeth; they were extracting them, and it seems to me extracting them, in view of the condition that Gordon Reid described to me, in a very clumsy and inefficient way.

My colleague the hon. Member for Skeena (Mr. Howard), who then, as now, was a Member of the House—I was not then a Member of the House—asked questions of the then Minister of National Health and Welfare and eventually got the figures regarding these extractions. On the three days on which these teeth were extracted at Hazelton 103 permanent teeth were extracted from those Indian children. I cite this as an example of the sort of treatment our Indian people have had. Many of their wrongs, I would say their most damaging and brutal wrongs, have been of an intangible nature, of the nature that strips human beings of dignity and self-respect because they are looked down on with contempt.

I suggest, Mr. Speaker, that we will not be able to deal with this question, which is the real question, on the basis of strict legality with regard to claims of land and property of various sorts. There is something much more fundamental involved. I should like to see this Commission empowered to take evidence from those who are trained in sociology, anthropology and history, who could tell the Commission of the effects of the white occupation of Canada on the native population, so that the Canadian people—those of us of non-Indian origin—would be aroused and alerted to the appalling crimes which have been committed in our name. I do not see how we can do this if we are not going to allow anybody to appear before that Commission who has not in his hands documentary proof of some material damage inflicted on some Indian or band of Indians. We are not going to be able to arouse the Canadian population to the responsibilities on their shoulders to do something at this time for these people.

• (7:10 p.m.)

I mentioned earlier that there was evidence to support those of us in British Columbia raising the loudest and sharpest protest about this resolution. In British Columbia the native Indians have not yet been driven to the conditions of those I have seen who lived in other provinces, who are now a pitiful remnant, without hope of rehabilitation, with everything gone. In spite of the treatment they have received in British Columbia and the diseases they have acquired from white conquerors of the country, they have by fighting made a comeback. I am proud to say that in my own constituency two Indians very carefully and skilfully forced a case in respect of some of their rights in British Columbia, as I am sure the Minister is well aware. They deliberately broke the game laws of British Columbia and successfully appealed to the higher courts a conviction of a magistrate. I understand there is a possibility that the Province of British Columbia will further appeal this case to the Supreme Court of Canada.

This action was taken by these people to underline the high handed manner in which all their claims to land and property in British Columbia have been swept to one side without, as my colleague for Skeena (Mr. Howard) this afternoon suggested, even a semblance of legality.

I was disturbed to find in the bill that, while there is provision for action against the Crown in the right of the province before Confederation, there is no provision whatsoever to deal with different agreements and undertakings signed by representatives of the Hudson's Bay Company on Vancouver Island, in respect of various Indian tribes, relating to land on that Island. I do not know whether the Minister is aware of this, but there are in existence three copies of a series of undertakings and agreements drafted and signed by James Douglas who, at that time, was the chief factor of the Hudson's Bay Company and who later became the Governor of the Crown Colony of Vancouver Island. These copies, in concise detail, set out the area that the Hudson's Bay Company undertook to leave in Indian hands, and set out in detail the portions of the land that the Indian population was prepared to relinquish to the Hudson's Bay Company.

Since that time these agreements have simply been ignored. I suspect that a lot of people do not even know of their existence. I happen to know of their existence because one of the copies is in the possession of a family living in my constituency, the members of which are descendants of the Hudson's Bay factor at that time. One copy has been preserved and is now in the Archives at Victoria. The third copy is in the possession of another family.

These copies set out quite plainly the agreements made at that time, and indicate quite clearly that the agreements of the day have not been broken, but swept aside. One of these agreements related to Salt Spring Island, which is an island in my constituency inhabited by some 3,000 people, as well as part of the Cowichan River Valley, an adjoining area of Vancouver Island, now thickly settled and populated. This agreement has been swept aside and the Indians in this area are confined to three small reserves, most of which comprise land of little productive value.

My fear is that if we are going to go through this matter in a legalistic way then the Commission will be faced with conclusive evidence that in this area, for instance, which is now extremely valuable property, the land was stolen from the Indians, that they have some legal claim to it, and that resulting astronomical compensatory sums will have to be paid. I am afraid the tendency will be to dismiss these claims altogether, rather than to reach an agreement which might be construed as an admission of the whole claim.

If the Government is determined to go ahead with this legislation, I hope it will also be prepared to do what the Government of the State of New York did regarding the Seneca Indians of that area, when they faced the same problem. There was a large Indian reserve in that area which was required for a reservoir for the supply of water to the City of New York. Had they been compensated for that land at its fair market value at the time an astronomical figure would have been involved. Special legislation was introduced after consultation and discussion with the Indians, and subsequently compensation was paid in recognition of their claims, to the extent of only a small portion of what they might have pressed for, had they decided to fight it through the courts.

My colleague, the hon. Member for Skeena, or the hon. Member for Comox-Alberni (Mr. Barnett) pointed out this afternoon that the Indians in my part of the country are not asking for anything absurd. They know quite well that although they could make out a very good legal claim to a very large part of Vancouver Island, to start with, such a claim would be preposterous and ridiculous in view of the white man's attitude. They know that such a claim would never be met. They are reasonable, adult Canadian citizens who understand enough of the white man's world to know what is possible and what is not possible. This is all the more reason why they should be treated with generosity far beyond the narrow limits set out in the bill now before us. If that is not the case I am sure the Minister will be confronted with irrefutable evidence as to enormous compensation in respect of lands which the Indian population of British Columbia does not expect to receive.

If we have a Commission that can examine these specific claims in conjunction with a scientific presentation of the appalling social effects of the white oppression of Indian people, I think we might arrive at awards to Indian people that are not measurable in material terms, but rather would be in terms of recognition of our responsibilities to these people, enabling the authorities and the Indians themselves to move forward in the development of these natives, enabling them to take their place in our society.

Sometimes there is a regrettable tendency to imagine paternalistically that all Indians are permanent children and that nothing can be done with them. No one who knows the Indians in my part of the country can subscribe to that idea.

• (7:20 p.m.)

Very often before I come to Ottawa I am summoned by the Council of the Cowichan Indian band to attend a council meeting and to hear from them what they require me to do in Ottawa. I am always very glad to attend and I am always impressed by the ability and the competence of these people in handling the white man's world and their place in it. The last time I was on the coast I was particularly pleased to find that the eminent Indian artist, George Clutesi, of the west coast of Vancouver Island had decided to adopt my party as his political party. We were all extremely proud that a man of his eminence should have chosen our party as the one to belong to.

I am just stating these things to show that in dealing with the Indians at least in my part of the world you are not dealing with primitive savages but you are dealing with people who have suffered severe damage at our hands, people who before our ancestors

came to do this damage to them had developed a high culture of their own in the artistic field far ahead of anything produced by white Canada at that time. There is not, I suppose, a people on the face of the earth in whom you will find a greater incidence of oratorical ability than among the Indians of the Coast of British Columbia. In their own language and in English they are capable of speeches that I wish we could hear some times in the House of Commons for their clarity and purity of language, for sensitive choice of words and for effective presentation. Such people, Mr. Speaker, are not primitive savages; they are people who have a tremendous contribution to make to the Canadian culture.

That being so, I think it is the duty of the Government, when it is now very tardily dealing with the position of our native population, to make sure that they are enlisting the support and the aid of all the people of Canada in righting this wrong as far as we can do so; and to have that we must not be tied down to narrow, niggling, legalistic compensation for this bit of theft here and that bit of theft there. How do you estimate the compensation that is due for decades, and in some parts of the country centuries, of deep injury to the whole psychology of native people? How do you measure that in dollars? It cannot be measured in dollars. We can perhaps measure our contrition and our remorse in dollars and try now to undo some of the things that we did. As my colleague, the hon. Member for Comox-Alberni (Mr. Barnett), said this afternoon, perhaps we should be looking at our native Indians more sharply than some of our people are looking at the depressed peoples in other parts of the world. So long as these people are with us we have work to do at home.

I would hope the Minister would consider what we have said from this corner of the House and widen the scope of reference of the Indian Claims Commission to include, not just material claims, but the moral claims that he and I and all the rest of us here really have to admit and really must meet. So I say again that I am sorry if I offended the Minister by putting inflections and words in his mouth. I hope I have been able to appeal to his heart, which I know is very large. I hope I have also been able to appeal to his intelligence, which I know is very high, and perhaps make him realize that he has not merely a responsibility here but a tremendous opportunity to do something that will bring lustre to the name of Canada that no other action could, by demonstrating that we are a people who for once decided that we were going to do something toward the equality of humanity within our own borders. Nothing less than that should be the goal of this legislation. Otherwise these Indian cases will not be disposed of as the legislation suggests. In fact, Mr. Speaker, I am not sure it is right to speak of being able to dispose of injuries. You can perhaps compensate to some degree for injuries, but you will not dispose of them, because after the Indians may have forgotten the injuries we did them, any of us who have any sensitivity at all are bound to remember them.

The Acting Speaker (Mr. Batten): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Batten): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: On division.

Mr. Barnett: Let the record show it was on division.

Motion agreed to on division and bill read the second time.

REFERENCE OF BILL TO JOINT COMMITTEE OF SENATE AND HOUSE OF COMMONS

Hon. J. R. Nicholson (Minister of Citizenship and Immigration): Mr. Speaker, in the course of my remarks earlier today and also on the resolution stage yesterday, I intimated that I would move to have this bill referred to a joint committee rather than to the Committee of the Whole House. I now move, seconded by the Minister of National Revenue (Mr. Benson):

> That a Joint Committee of the Senate and the House of Commons be appointed to consider Bill C-123, an act to provide for the disposition of Indian claims, with powers to report from time to time its observations and opinions thereon, send for persons, papers and records, sit during sittings of the House, and print from day to day such papers and evidence as may be ordered by the Committee, and that Standing Order 66 be suspended in relation thereto; that 14 Members of the House, to be designated at a later date, act on behalf of the House as Members of the said Committee, and that a message be sent to the Senate requesting that house to unite with this House for the above purpose and to select, if the Senate deem advisable, some of their members to act on the proposed Joint Committee.

I understand I must have unanimous consent of the House to move such a motion at this time and I would ask for that consent.

Joint Committee on Indian Affairs

The Acting Speaker (Mr. Batten): Does the House give unanimous consent to the Minister of Citizenship and Immigration to move this motion?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Batten): Is it the pleasure of the House to adopt the said motion?

Mr. Frank Howard (Skeena): Mr. Speaker, I want to make one or two brief comments. Yesterday the hon. Member for Peace River (Mr. Baldwin) very ably suggested that the committee might have authority to adjourn from place to place or meet from place to place or, in other words, have the authority to travel, the idea being that by the committee travelling the native Indian people all across the country would be afforded a better opportunity of access to the committee to present their views.

As was pointed out by the hon. Member for Peace River and as anyone who was a member of the Joint Senate and House of Commons Committee on Indian Affairs in 1959, 1960 and 1961 knows very well, the committee experienced difficulty in trying to schedule particular dates for meetings with particular bands or other groups of Indian people. Members of that committee also know from experience the difficulty that the Indian people had in arranging their affairs in order to travel to Ottawa from wherever their home was to present their views and ideas and then travel back home again.

• (7:30 p.m.)

When the Joint Senate and House of Commons Committee on Indian Affairs met a few years ago there were certain costs involved—I do not know what they were—in paying the transportation cost of the native people from their home to Ottawa, their living expenses while they were here, and their transportation cost back home. It was suggested by the hon. Member for Peace River (Mr. Baldwin) that we would not expend any greater amount of money if the Committee had the authority to travel. This would afford the native people in different parts of the country a better opportunity to appear before the Committee because they would have to spend less time away from their work, their family and their own activities. I do not see this authority in the provisions relating to the committee. I should like to make a sort of last ditch appeal to the Minister to ascertain whether or not this suggestion might be given favourable consideration, with the primary concern being to make available to the native Indian people, in so far as we can, a full opportunity to appear before the committee and insure that no matter what we do with the bill the native people have every opportunity to present their views.

[Mr. Nicholson.]

Mr. Nicholson: I am sorry, but earlier today I certainly should have informed the House that, pursuant to the assurance I gave the hon. Member for Peace River (Mr. Baldwin) last night, I have given serious thought to his proposal. In fact, I have discussed it with some of my colleagues in the Government. We do not consider it is necessary, in this case, to give the committee the right to travel in the way suggested by the hon. Member for Skeena (Mr. Howard). I want to assure the House, however, that, subject to what the committee itself may decide, there is certainly no intention on the part of the Government to rush the committee into bringing in an early report. The committee will have as much time as it considers necessary. The setting up of this joint committee is merely a sincere attempt on the part of the Government to make sure that the bill is in a form that will accomplish the objectives we have in mind. I can assure you that constructive suggestions that may come either from Members of the Committee or from outside will be most carefully considered by the Government.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS

MEASURE TO AUTHORIZE CONSTRUCTION OF SPUR LINE TO CANADIAN INDUSTRIES LIMITED

Hon. E. J. Benson (for the Minister of Transport) moved the second reading of Bill No. C-124, to authorize construction of a spur line to Canadian Industries Limited.

Motion agreed to, bill read the second time and the House went into Committee thereon, Mr. Batten in the Chair.

Clauses 1 and 2 agreed to.

On clause 3—Maximum expenditure.

Mr. Olson: One brief question on clause 3, Mr. Chairman. How much is the Federal Parliament going to be asked to contribute toward the construction of this railway?

Mr. Benson: The Federal Parliament will be asked to make no contribution toward the construction of this line. It is to be built out of the capital funds of the Canadian National and is being financed from the operating fund.

Mr. Olson: In other words, there will not be a contribution in the usual way toward the construction of a new railway?

Mr. Benson: No.

Clause agreed to.

Clause 4 agreed to.

Schedule agreed to.

Title agreed to.

Bill reported.

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

Mr. Knowles: By leave, now.

Mr. Benson (for Mr. Pickersgill) moved the third reading of the Bill.

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

CHILDREN OF WAR DEAD (EDUCATION ASSISTANCE) ACT

AMENDMENTS TO INCREASE MONTHLY ALLOWANCES

Hon. Roger Teillet (Minister of Veterans Affairs) moved that the House go into Committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Children of War Dead (Education Assistance) Act to provide for an increase from twenty-five dollars to thirty-four dollars in the amount of the monthly allowance that may be paid to a student, and to provide that, whenever the annual rate of pension payable to an orphan child under the Pension Act is changed, there will be a corresponding change in the additional amount that may be paid to a student after he has attained the age of twenty-one years.

Motion agreed to and the House went into Committee, Mr. Batten in the Chair.

• (7:40 p.m.)

Mr. Teillet: Mr. Chairman, I do not think it is necessary for me to go into any lengthy explanation. The resolution speaks for itself and in effect covers the bill. This is intended to bring the Children of War Dead (Education Assistance) Act into line with the adjustments in pensions passed by Parliament earlier this year and to provide that in future, whenever there is an adjustment in the Pension Act, there will be an automatic adjustment to bring this Act into line with it.

Mr. Cantelon: Mr. Chairman, I am sure we all welcome the announcement of the Minister and the short statement he has made on this worth-while change in the terms of the Act. However, I am sure that justice and mercy strongly indicate that more generous treatment should be given.

I am certain that those who have served this country in war, as well as those who did not, would wish that our veterans might have their pensions kept abreast of the times by increases which, in this period of rising costs, would enable them to maintain a decent standard of living. They have earned it; we should see that they get it.

But what does the Minister give us? In this resolution dealing with the Children of War Dead, and in the following one increasing the interest paid on moneys in the Army Benevolent Fund, we have sops to the real need, a swallow when a long drink is needed. Of course there is nothing wrong with increasing the amounts to be paid for the education of each child of the war dead. The economic conditions existing today make it imperative that there should be more money for these children. Consequently we heartily approve of this measure. We wholeheartedly approve of an increase of $9 over the present $25, which is an increase of 36 per cent.

If this percentage is conceded as necessary so that the children of the war dead may be properly treated, why was there a small 10 per cent increase for the general pension of veterans last November? Where is the general increase that should be made? Is the Minister satisfied with the 10 per cent increase he announced on November 10, 1964? If he is, he is the only one who is.

The veterans organizations have made it very clear in their submissions to the Government that they are not pleased. Members of the House are not pleased either. Does not the Minister know that the earnings index in this country is rising rapidly and that pensioners are falling further and further behind the wage earnings of those they matched 45 years ago? If he does not know, then he is too ignorant to be a Minister. If he does know and does nothing, he lacks the sensibilities required for this job.

At that time it was conceded that the pensioner should have a rate equivalent to that of certain civil servants. These same civil servants today are being paid $3,500 while the basic pension rate is only $2,400. I know the Minister argues that the 100 per cent pensioner who is married with two children is the basis on which comparison should be made. However, even if this is done the pension rate has lost its former equality with wages for unskilled labour.

It is difficult to feel that the 10 per cent increase was adequate even when a pensioner, who is at the 100 per cent pension level and has children, draws the whole increase. It

was certainly very inadequate for the 60 per cent of the war veterans who are in the 20 per cent or less disabled bracket and only receive an increase of $3.60 a month. Some 500 veterans only get 90 cents per month through the increase.

The Minister now grants a 36 per cent increase for children. To my mind by doing this he admits that 36 per cent should be a proper increase for basic pensions. Surely he does not feel that the pensioner is to be compensated in a two-fold way, once for having served his country and suffered in that service and, second, by raising children as a second obligation to his country. Everyone is not so fortunate as to have children, and those who do not should not in effect be penalized for lack of children. Many may have hesitated to have children because they realized that their disabilities condemned them to a low standard of living. Perhaps many feared that their children had too high a prospect of being fatherless in early childhood.

This great 10 per cent pension increase was the lowest ever allotted to war victims. In the four previous increases since 1920 there was a 33⅓ per cent rise in 1951 and a 20 per cent rise in 1961. Since the wage index has been rising faster in this last period than ever before, it is apparent why we feel that the 10 per cent increase was niggardly and why we hope that the Government will consider another increase this year to bring war pensions more in line with the cost of living.

I wonder what kind of advice the Minister has had from the committee of Ministers which the Prime Minister set up to consider veterans pensions. Are they as insulated from humanitarian instincts as the Minister, and as blind to the obligations which this country owes to the men who served her in battle? It would seem so, unless the two new resolutions he mentioned today are on a different basis.

Mr. Teillet: Mr. Chairman, I did not want to interrupt the hon. Member but may I point out that we are not discussing the Pension Act, but rather the Children of War Dead (Education Assistance) Act.

The Deputy Chairman: Order. I think the point of order raised by the Minister is well taken. It might be well if we were to remain within the confines of this particular resolution.

Mr. Herridge: Mr. Chairman, since I am a Member of a group that tries so far as possible to live within the rules, I am going to obey your instructions, even though I have a lot of sympathy for what the previous speaker said.

We in this group support the purpose of the resolution wholeheartedly because we feel the increase is necessary, owing to rising costs. This Act has been of great value to the children it was designed to serve, since it was enacted some 11 years ago. Anyone who reads the reports of the department must realize that a good number of children have received university education and other instruction as a result of this legislation.

How was this legislation placed on our statute books? It was placed there as a result of co-operation between the veterans, their organizations and the government of the day, whichever stripe it was, and with the co-operation of the officials of the department. The department in dealing with legislation hears the representations of veterans organizations before the Standing Committee on Veterans Affairs, considers the arguments presented in the House by Members of all parties who are particularly interested in veterans, and then co-operates with the Government in preparing legislation. In passing I may say there are 4 million people in Canada at present who are veterans or the dependants of veterans, but the point I want to make is that wherever you get co-operation of this type you find democracy functioning at its best.

The department has established precedents in several fields with respect to veterans legislation. It has dealt with hospitals, the Veterans Land Act and measures of that type. I cannot go further in this direction without being out of order.

• (7:50 p.m.)

I do wish to stress that the veterans charter of this country, of which most Canadians are proud, was the result of co-operation between veterans organizations, the Government of the day and the officials of the department. Certain procedures have been established which might well be followed by other departments of government, as far as dealing with human beings on a successful basis is concerned.

The resolution before us is concrete in its terms. Personally, I do not see any reason for sending the bill to the Standing Committee on Veterans Affairs. The measure is designed to do a particular job—to increase the amount of the allowance in respect of these children. Before concluding I want to say how much the veterans organizations appreciate the fact

that the Government is continuing the Standing Committee on Veterans Affairs. I have been a Member of this Committee for 20 years and I must say it has approached the problems of the times in a non-partisan spirit. All its Members, generally speaking, have tried to do their best, regardless of party, for the veterans and their dependants they were seeking to serve.

Mr. Olson: I wish only to say on behalf of our party that we agree with the purpose of the resolution before us and that we intend to support both the resolution and the bill which follows.

Mr. Lambert: I have one or two questions to put to the Minister. Perhaps he can give us an estimate of the number of children now covered by this legislation, together with a forecast for the future on the assumption, of course, that there will be no war in which Canadian servicemen will be killed.

I am assuming this measure covers the children of Canadians who served in the first and second world wars. There would not be any children of World War I combatants involved. There would be, from the Korean conflict.

Can the hon. gentleman tell us whether this legislation is applicable to children of Canadian servicemen who take part in peace keeping activities? Is there any elasticity in the terms of the Act? The title says in general terms: "Children of War Dead (Education Assistance) Act". Well, the campaign in the Congo was not a war. There are other areas in which Canadian servicemen are involved and I am wondering how strict an interpretation of this Act would be.

The Minister and I have discussed the position under the legislation covering those who served in both the first and the second world wars, of others, who were not involved in any actual war, have found themselves without coverage in terms of our veterans legislation. What steps are now being taken to include the particular category to which I have referred, bearing in mind that they are entitled to equal consideration? The case of a man killed in a training accident during the second world war is not different from that of a man killed in a similar accident on a peace keeping mission, as far as his service to the country and the needs of his family are concerned.

Mr. Teillet: I wish to thank hon. Members for their comments. May I reply to the questions posed by my predecessor in this portfolio. His first question concerned the number of cases dealt with. These cases built up to a peak in 1961-62 when there was a total of 448 cases. I would be glad to send a copy of this list to the hon. Member. In 1962-63 there were 374; in 1963-64 there were 354. For subsequent years our estimates are: 1964-65, 275; 1965-66, 240; 1966-67, 180; 1967-68, 130.

I do not know to what extent recent adjustments in university fees will affect these figures. Our estimates probably do not allow for this factor.

The hon. Member's second question is more difficult to answer. I would have to check the application of the insurance principle as it applies to the Cyprus operation, for instance, and the Congo. If the hon. Member would allow me, I would try to give him a more specific answer to this question when we come to second reading. Later, perhaps, I will be glad to discuss in more general terms the application to this question of principle which he and I discussed on an earlier occasion. I can only say that at the moment no final conclusion has been reached.

Resolution reported and concurred in.

Mr. Teillet thereupon moved for leave to introduce Bill No. C-125, to amend the Children of War Dead (Education Assistance) Act.

Motion agreed to and bill read the first time.

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

Mr. Lambert: Next sitting.

ARMY BENEVOLENT FUND ACT

AMENDMENT INCREASING INTEREST PAYABLE ON MINIMUM BALANCE

Hon. Roger Teillet (Minister of Veterans Affairs) moved that the House go into Committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Army Benevolent Fund Act to increase the rate of interest payable on the minimum balance to the credit of the Fund in each month at the rate of four and three quarters per cent per annum for a period of five years from the coming into force of this measure, and thereafter for each successive period of five years at such rate as may be prescribed by the Governor in Council in the year preceding the first year of each such period as the effective interest rate on long term Government of Canada Bonds for the purposes of this measure.

Motion agreed to and the House went into Committee, Mr. Batten in the Chair.

Mr. Teillet: This again is a case where the resolution covers the entire bill. The purpose is to increase the interest rate available to the fund from 3 per cent to 4¾ per cent and also to provide for a periodic adjustment of this interest rate as prescribed by the Governor in Council on the basis of the interest rate on long term Government of Canada bonds. This interest rate can be adjusted periodically every five years in accordance with the interest rates available for Government borrowing on bonds. This is the entire purpose of the bill.

• (8:00 p.m.)

Mr. Lambert: What is the practice at the present time?

Mr. Teillet: The practice at the present time, as I understand it, is that the fund is paid 3 per cent interest up to $5 million. I do not know how often this has been amended but I presume that these amendments are made periodically by parliament in order to adjust the interest rate. At the moment it is 3 per cent up to an amount of $5 million; it is now proposed to set the rate at 4¾ per cent on the total fund.

Mr. Lambert: What is the total amount of the fund?

Mr. Teillet: Approximately $5 million, but I can get the figure.

Mr. Lambert: In that neighbourhood?

Mr. Teillet: Yes.

Mr. Herridge: The Members of this group support the principle of this resolution, which we presume is really to adjust the interest rate in accordance with changing circumstances, and in so doing increase the revenue-producing value of the fund. We see no reason why we cannot support the resolution and the bill.

Mr. Olson: Mr. Speaker, we have no objection to bringing the interest rate paid to the army benevolent fund up to the prevailing rate of interest, but we should like to know how much it is going to cost. If I understood the Minister correctly, although I did not hear all of the exchange between him and the hon. Member for Edmonton West, he said, I believe, that they were authorized now to pay 3 per cent up to a maximum of $5 million. If this percentage is going to be changed to 4¾ per cent on the whole amount of the fund, we should like to know what is going to be the increased cost to the Government of Canada?

[Mr. Teillet.]

Mr. Teillet: Just to make sure we understand each other here, let me say that at the moment the fund is being paid 3 per cent. It is proposed in this resolution, and in the bill to follow, that this figure be increased to 4¾ per cent. This will mean an increase of 1¾ per cent. The fund is approximately $5 million. Therefore 1¾ per cent on $5 million would be the increased cost.

Resolution reported and concurred in.

Mr. Teillet thereupon moved for leave to introduce Bill No. C-126, to amend the Army Benevolent Fund Act.

Motion agreed to and bill read the first time.

INCOME TAX ACT

Hon. Walter L. Gordon (Minister of Finance) moved the second reading of Bill No. C-118, to amend the Income Tax Act and the Federal-Provincial Fiscal Arrangements Act.

He said: Mr. Speaker—

Mr. Winkler: What date will the election be, Sir?

Mr. Gordon: On October 31, 1968. I indicated on the orders of the day that I would say something about clause 4 of the bill, and with the permission of the House I would like to do so now. The proposals relating to periodicals and newspapers have been criticized on a number of counts. I shall not attempt to deal with all the criticisms, some of which tend to cancel each other out, but I should like to say something about the main objections that have been expressed.

Let me begin with the periodicals. Here the main criticism, one that some hon. Members feel very keenly about, is that *Time* and *Reader's Digest* are here given resident status. Those who oppose this look upon it as a surrender to the power and influence of Mr. Henry Luce. I expect that this is the view of at least some of the hon. Members in all parts of the House.

However, other hon. Members feel equally strongly that nothing should be done to interfere with these two magazines whose Canadian editions commenced over 20 years ago. It is pointed out that both this Government and the previous Conservative Government gave clear notice in resolutions previously placed on the order paper that *Time* and *Reader's Digest* would be allowed to continue their operations in Canada. It is

argued that nothing new has happened to justify a reversal of these previous decisions.

When opinion is divided in this way there is a great temptation to defer taking action of any kind. If we were to do that, it is safe to say that the competitive position of *Time* and *Reader's Digest* in Canada would become even stronger. It is also quite probable that other foreign periodicals, including a number of trade papers, would establish themselves in Canada. If this were to happen we could kiss goodby to the chances of a Canadian magazine industry.

I do not believe there is any solution to this problem which will please everybody. However, to do nothing—to defer any action—would be the worst course of all. Accordingly the Government has accepted its responsibility and has placed a definite proposal before the House.

In doing this I would remind hon. Members of the reference in the budget speech to the subsidized postal rates now enjoyed by *Time* and *Reader's Digest*. I said that these were being studied as part of a general review of all postal rates that is now in progress, but which will not be completed until some time next fall. The legislation that will be proposed following completion of this review will eliminate the discriminatory subsidy now being given to *Time* and *Reader's Digest*.

Now let me say something about newspapers. The Government believes that control of Canadian newspapers should remain in the hands of Canadians. Parliament has provided that this must be the case with radio and television. I believe the same principle should apply to all media of communication. The Canadian Daily Newspapers Publishers Association does not take issue with this objective of the Government. However, they do oppose the method chosen to achieve it. The Government is not wedded to the particular method it has proposed for retaining control of Canadian newspapers in Canadian hands, but after 18 months of study we have not found any other method that would work satisfactorily within the powers granted the federal Government under the British North America Act. Perhaps there is another method which we have not been able to find. If so, we would be quite ready to consider it. The Canadian Daily Newspaper Publishers Association has asked for time in which to come up with a method of achieving the objective which would be more acceptable to them. They have requested that the present proposal be deferred for a period of months in order to give them greater opportunity to study the whole matter and, hopefully, to come up with another method that would be effective and would be acceptable to the Government.

• (8:10 p.m.)

The Government has given most careful consideration to this request, but has concluded that it should not withdraw the present proposal pending the proposed study by the Canadian Daily Newspaper Publishers Association. If it were to do so, some foreign interest might succeed in acquiring a Canadian newspaper before any effective method of preventing this was enacted into law. However, if the Canadian Daily Newspaper Publishers Association finds an alternative method which would be effective and acceptable, the Government would be prepared to recommend its substitution for the present proposal at the appropriate time in the future.

Mr. Speaker, I will be only too pleased to deal with the other matters which are contained in this bill when we are in committee. I think it would probably waste the time of the House if I did so now because we would just be repeating ourselves. I think I have dealt with the matter which has attracted the most attention in recent days.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I should perhaps first say that we trust the Minister will soon recover his health and his voice. We can see that he is suffering, and working with some difficulty. I can sympathize with a man in his position in so far as his personal health is concerned, but I do not envy his position because I think it is one of weakness. In any event, we extend to him the wish of hon. Members of this House that he recover soon.

In regard to this bill, the principle of which is to amend the Income Tax Act, there are a number of complicated provisions which we will consider in the Committee of the Whole. The bill itself is much longer and much more complicated than could be anticipated at the resolution stage. Even though it appeared complicated at that time, the resolution did not in all matters indicate the extensive amendments to certain sections of the Act that are contemplated. These are apparently the result of a seemingly simple resolution.

When we discussed these amendments at the resolution stage I made some remarks about the income tax cut of 10 per cent in respect of personal incomes, indicating that I felt this was discriminatory. Nothing has

been said since that has swayed me from that opinion. In view of the fact that the Minister has indicated that in the fiscal year 1964-65 there will be an expected growth factor of about $250 million to $275 million, it is apparent that this proposal has been politically motivated. When one assesses the comments that have been made in respect of this tax cut he can only conclude that the responsible politicians had an eye cocked toward an election, having in mind that the budget was prepared some time in March or April. Last night the Minister indicated that he would like to see an election, and I am not sure that he did not strain his voice at that time when he addressed some potential disciples in Toronto, who needed some ministerial assurance.

Perhaps I may be allowed to refer to some comments in respect of the budget which appeared in the column of Ronald Anderson, who states:

> The personal tax cut, in the view of most analysts, will have relatively little impact on the economy: Canada's 10 per cent cut in personal taxes compared with a 20 per cent cut in U.S. personal income taxes.

This makes the point I was referring to the other night in regard to corporation taxes. I will develop this point a little later. The article then states:

> Moreover, while the Canadian corporation tax remains at 21 per cent on the first $35,000 of income and 50 per cent on the remainder, the U.S. corporate tax has been reduced from the 1963 level of 30 per cent on the first $25,000 and 52 per cent on the remainder, to the 1965 level of 22 per cent on the first $25,000 and 48 per cent on income over that amount.

There is an expectation in the United States that the excise tax will be cut by 15 per cent by July 1, but that question has not been resolved.

One could read other editorial comments which have appeared in newspapers including the Montreal *Gazette*, the Toronto *Globe and Mail*, the *Telegram* and the *Star*, and and many others, and come to the same conclusion that the budget was based on the expectation of an election.

The Montreal *Gazette* of April 27 states:

> The cut in personal income taxes, fulfilling forecasts, suggests either a planned election, or insurance against the possibility of an election, or a deterrent to an election by raising the government's popularity. The economy could have been stimulated as much, or more, by reducing corporation taxes. Mr. Gordon explained great changes would be premature before the report of the Royal Commission on Taxation (K. LeM. Carter) but that report will be as concerned with personal as with corporation taxes. One cut is as premature as the other and both were regarded as premature by Mr. Gordon last year.

[Mr. Lambert.]

This year we have been told that it is premature to consider corporation income tax cuts, but this year that is not so with regard to personal income tax cuts. Both were in a premature bracket last year.

The *Globe and Mail* of April 27 states:

> And Now What Day For The Election?...
>
> Stimulating the economy would have required a cut in corporation tax as well. Mr. Gordon is setting the stage for a fall election. He has remembered the unions, the professional men, the farmers, uncles and aunts, even trademarks, and preserved a mass teaser for future stimulation in proposed removal of sales tax on drugs.

Then we can go west to the Edmonton *Journal* of April 27 which states:

> These are the concessions traditionally used to sweeten up voters. If the Minister thinks he did all he could be expected to do for business, many businessmen facing keen foreign competition will not agree with him...Canadian finance ministers in recent years have been notoriously bad deficit guessers and Mr. Gordon is no exception. ...The income tax cut will cushion the pension plan and there will be a time lag between incoming contributions and the borrowing and spending of the money by the provinces...In the New Economics the erosion of 2 or 3 per cent in the value of money is not inflationary. Be that as it may, the danger of inflation, balance of payment problems and other evils must be constantly guarded against.

Finally, Mr. Speaker, to quote from an article by Fraser Robertson which appeared in the *Globe and Mail* of April 28:

> Budget has little to do with economic reality. It ended with a fine challenge to us all to share in Canada's great future. So how do we share? The government intends to dig $7.35 billion out of our pockets in the coming year, $214 million more than last year, and it intends to spend $431 million more than last year.

• (8:20 p.m.)

The point is often missed that there is an increase of $431 million in expenditures.

> He claims citizens can spend $170 million more than last year but what about those extra sales taxes earlier this year? And next year, when he says we shall have $265 million more in take home pay, who will be paying those extra payroll deductions for the pension plan? His tax cut is pure hocus-pocus. If it is true that the $170 million adds to purchasing power, then the extra government spending, which certainly comes out of our pockets, detracts from purchasing power by $431 million. Experience in other countries shows, and the Economic Council recommended, that capital investment does speed economic expansion, as the Canadian housing program has shown. But Mr. Gordon expects industry to hand out more jobs, better machinery for the workers, new plants and extra selling efforts with nary a penny from him.

I have spoken about the problems of the balance of payments deficit and other items which concern us from the point of view of

the maintenance of the advancing rhythm of the economy. The tax cut proposed by the Minister was designed to meet this problem. That was his stated purpose, in addition to which, of course, it would be a cushion for the payments under the Canada Pension Plan starting next January. I should like to draw to the attention of the House an article written by John Allan May who is European economic correspondent for the *Christian Science Monitor*. It is datelined from London under date of June 18, 1965 and reads as follows:

> Now is the time when the wisdom of the world's economists is most strongly challenged—and most urgently needed. The question is: Can they tell how to halt a slide toward recession and how to restart the motors of expansion?
>
> Too many indicators now point downward. Too few point upward. It is possibly true that only in the United States and West Germany are there any forceful signs of any expansion at all.

Even in the United States we have had men in responsible positions raise a hand of warning and make very cold and calculated speeches with regard to possible danger signs. Some people may object to this and some people may object to the tenor of my remarks tonight, but I must say that at all times we must be careful to see just what is ahead of us. It is toward the value of an income tax cut in regard to the maintenance and stimulation of the economy that I am directing my remarks.

We know that the figures for the first quarter with regard to the balance of international payments show a rather alarming increase. We also see a flattening out of the increase in our commodity export figures. If this year continues as the pace of the earlier months has indicated, we are going to finish up with a deficit on international account of rather monumental proportions, all of which is much to the concern of the Minister of Trade and Commerce. It should be to the great concern of the Minister of Finance, because we know what has happened to this country in the past when there has been an overly large deficit on international account. We saw what happened in Britain last year, and at the moment they are facing the very same problem. I refer again to Mr. May's article:

> In Britain the indicators now point to the introduction of direct controls over imports.

This would affect Canada.

> It is thought that further controls on capital outflows also may have to be introduced. This is because the British balance of payments must be brought back into balance, whatever way it is done. Britain cannot take on any further debts.

In so far as Canada is concerned, I suggest that we too face the problems involved in taking on an increased load of debt on international account.

> The effect, however, must be to reduce world trade a little further. It seems likely that the trade of western Europe could be most severely affected...

Here is something that is very troubling.

> The economic background to the Conference of Commonwealth Prime Ministers also shows storm flags flying. Every country represented, including Canada, is today in deficit on its international payments. Two of the most important in a monetary sense, Australia and India, have decided they must, like Britain, cut their spending severely. The commodity prices on which most of the Commonwealth largely depends are tending downward. Outside the Commonwealth, it is noted that Japan also is in some financial difficulties.

I trust the House will forgive me what may seem to some hon. Members to be an undue emphasis on the problems of a deficit in the balance of international payments, but to me this is a key factor with regard to the stimulation and maintenance of our economy. The Minister proposes to deal with the matter by his 10 per cent cut in income tax and there are also some capital cost allowances to industry. I put it to the Minister that the 10 per cent cut in income tax is insignificant in so far as stimulation of the economy is concerned. I think he could have done a lot better by giving an equivalent cut on the corporation tax side, or perhaps even a greater cut than he did in the personal income tax field but, of course, on the corporation side he was not dealing with votes.

My colleague from Okanagan Boundary suggests, as many analysts have also done, that something should have been done about the 11 per cent sales tax on building materials and certainly on production machinery. I think this is one area where the Government will really have to re-examine its position.

In so far as much of the bill is concerned we are dealing with the closing of loopholes and there are a number of technical points involved. One has to do with the exploration for gas and oil. In order to understand the amendment a person needs to be very well versed in the corporate set-up of development and production companies with their syndicate or joint venture exploration groups, the purchase of drilling rights and reassignment back to the parent so they can be used for write-off purposes. There was a loophole as a result of an amendment made to the Income Tax Act in 1962, and as these

companies in the oil industry are astute operators in the field of corporation finance and taxation they were able to find this loophole. I am not too sure they were doing anything wrong but the Income Tax Department certainly thought it was wrong. I am not too sure that is so. I like to see as much incentive as possible given to the oil and gas industry to go out and develop the resources of the country. We can put too close a bridle on them at times.

• (8:30 p.m.)

There is another amendment with regard to the residence rule for corporations. I think the Minister is fully aware of the implications of this change. Certainly some companies are going to be caught and there is going to be quite a scream from some corporations which have a foreign residence but which will now be deemed to be Canadian resident companies whose world income will now become subject to Canadian tax. This is the opinion of the Canadian Tax Foundation. I hope the Minister, in this particular instance, may give the House an estimate of the effect this may have, by deeming Canadian foreign resident Canadian corporations because of their operations in Canada and attracting to those companies the Canadian tax rate on their world income. I should like the Minister, perhaps, to address his attention to this particular feature and let us know just what he expects will be the effect of plugging this loophole. Perhaps he thought he was plugging a loophole and he may be doing more harm than the situation he was correcting.

We have heard the Minister's proposal with regard to periodicals and newspapers. Dealing with periodicals he says that the previous administration had the same problem. Yes, we had the same problem; but the solution was somewhat different. It was to impose a tax disallowance of 50 per cent on advertising in dealing with *Time* and *Reader's Digest*. I am not satisfied, myself, that this was necessarily the best solution. This was a proposal which had not been discussed. The Minister has had the benefit of two years' experience and re-examination of the problem. Now we are enshrining into statute law the privileges enjoyed by *Time* and *Reader's Digest*. It was against these two periodicals that the Canadian periodicals complained. They felt they could not survive in the face of the unfair competition put forward by these two periodicals. There have been changes in the past two years. There have been changes since the O'Leary Commission reported in regard to the number of publications which have continued to exist.

Surely, however, there would have been some better solution than enshrining *Time* and *Reader's Digest* and giving them that absolute statutory protection against competition from the United States, Britain and France. This is what you are doing. You may say that Canadian periodicals are being protected from some bold, bad wolves from either the United States or abroad, but you are also protecting *Time* and *Reader's Digest* from the competition of periodicals from their own country. They have the best of all possible worlds as a result of the Government's proposals. I do not believe this is an adequate solution for our Canadian periodicals. Certainly, I do not believe the two publications that are singled out merit this rather favourable treatment they are receiving.

Now, with regard to newspapers, I need not repeat the remarks made by the Leader of the Opposition (Mr. Diefenbaker) or the other spokesmen from this side of the House concerning the tax on advertising in newspapers, should they become owned more than 25 per cent by foreign interests. Ever since the budget speech was delivered on April 26, we have seen a spate of editorial criticism from one end of the country to the other, from Victoria to St. John's Newfoundland. There has been the odd exception. Representatives of the Newspapers Publishers Association have seen the Minister, not once but twice. I noticed that their representative was meeting the Government last Friday. Before the Minister spoke tonight, we saw speculative news articles indicating that there might be a pause in the Government's move to impose this penalty. It is not a tax, it is a penalty.

In this regard, I have always wondered why it was deemed to affect ways and means, when there was an amendment proposed the other night. It would not affect ways and means whatever. This is merely a penalty, and something would have to be done to attract the tax. In other words, one had to transgress the rules in order to attract the tax. The Minister, therefore, could not expect, in the normal course of events, one penny of revenue. How this could affect ways and means, I fail to see. In any event, this penalty in the Income Tax Act is to be used to achieve what some people say is a laudable objective. Certainly, we would like to maintain, in so far as possible, control of Canadian newspapers in the hands of Canadians,

in the same way as we would like to maintain control of many types of operations in the hands of Canadians. I noticed one editorial comment to the effect that there was as much justification for imposing this penalty on newspapers as there would be in preventing any foreign interest from coming in and buying Clarkson, Gordon & Company and entering into the chartered accountancy field. After all, these companies have many corporate secrets. They know many things about the Canadian economy, and therefore foreign control of these companies could influence the situation in Canada. The thesis is arguable.

Well, we do not see anything of this nature in the bill. I do not know just what motivated the Minister in imposing this penalty to try to maintain the Canadianization of newspaper ownership. Is it that they were in particular danger? I noticed in a column written by Basil Dean, publisher of the Edmonton *Journal*, that there was a current rumour that certain French interests were going to try to buy into *La Presse* of Montreal in order to project the point of view of the French Government. Well, of course, one can build speculation upon speculation. I believe one must classify this amongst those really wild rumours, but it is still a rumour. I do not know how much it influenced the Minister or if he heard it. Were there any other newspapers that were under imminent attack by foreign owners? I am sure that foreign owners would take on Canadian newspapers or attempt to buy Canadian newspapers under the following circumstances: First, if a newspaper were in temporary difficulty and could be bought cheap, then built up into something really profitable. Frankly, the motive is economic. It is certainly not to influence thought. The second circumstance would be a successful newspaper that was a going proposition and was very attractive. It would attract a takeover bid.

• (8:40 p.m.)

If the Minister, the Government and Canadian newspapers are so jealous of Canadian ownership there is always one solution, that they shall not sell. As a matter of fact some newspapers have voluntarily adopted measures whereby foreign takeover cannot take place. Therefore I think the Minister would have been far wiser to accede to the request of the Newspaper Publishers Association to defer this tax penalty until some more reasonable solution had been worked out to the satisfaction of the press.

Some people have suggested that the press is crying wolf, that this is an old bugaboo, that this is not really an attempt to introduce censorship. I put it to hon. Members that this is the cornerstone from which other moves could be made with regard to newspapers.

Mr. Moreau: What about magazines?

Mr. Lambert: I am concerned about daily newspapers.

Mr. Moreau: What's the difference?

Mr. Lambert: There is a great deal of difference. The hon. Member for York-Scarborough (Mr. Moreau) can engage in a discussion of that when we reach clause by clause examination of the bill.

One can read all sorts of editorials on this subject in chain newspapers from Victoria to St. John's, in privately owned newspapers, in small, medium and metropolitan newspapers, and generally in newspapers that support the Government.

Reference was made during orders of the day today to an article in the Winnipeg *Free Press* of June 17, headed, "Press Control has a long History", pointing out that it started with King George III who first taxed advertising, Adolph Hitler who jailed editors, Benito Mussolini who built a subservient press, Joseph Stalin who made the press a government mouthpiece, Juan Peron who closed down newspapers, Fidel Castro who exiled editors, and winding up with the Minister of Finance (Mr. Gordon) who would tax advertising.

The other day the Leader of the Opposition (Mr. Diefenbaker) quoted from editorial comment in the same newspaper of June 16, but I will not refer to that again. The *Evening Reporter* in Galt has some harsh things to say about this proposal, and I think the Minister should read that editorial.

The Guelph *Mercury* of June 17 said:

> If there is any requirement whatever to limit ownership of Canadian newspapers to Canadians, it is quite possible to effect this control without government interference and through the voluntary action of the owners. In Britain and some other European countries, the line of succession of ownership and the editorial policies of certain newspapers are effected by agreement within the proprietor companies. The governments follow a hands-off policy.
>
> Apart from this principle, which is readily applicable within Canada, the hard fact is that the profit margin of Canadian newspapers is not so lush as to be attractive to foreign investors. They can secure larger returns on their capital with less risk, by investing in Canadian natural resource corporations.
>
> There is, indeed, no more urgency for the prohibition fathered by Mr. Gordon than there is for

a law forbidding Americans or other outsiders from acquiring control of firms of external chartered accountants, such as Clarkson, Gordon and Company, in which the Finance Minister inherited a considerable interest and in which he was active until joining the cabinet. Accountancy firms of high repute are necessarily privy to the secrets of Canada's major corporations whom they serve, and on occasion must have access to confidential phases of government. Surely the acquisition of such firms by foreigners would raise problems of much delicacy.

The Sarnia *Observer* of June 18 has this to say:

The free press of Canada is threatened by legislation now making its slow progress through the House of Commons.

It isn't threatened today, or perhaps tomorrow. But some time in the future, the machinery now proposed by the Government can be used to effectively muzzle any newspaper—or all newspapers.

This is a matter of argument but I put it to the Minister and to the hon. Members that he is trying to accomplish something the wrong way. I would have appreciated it if the Minister had not stood up in this House the other day and, in a moment of bravado, said the Government would stand or fall by this measure. Are we again under a threat? Is this some chest thumping on the part of the Minister? I do not know, but I think he in reasonableness would have agreed to the newspaper publishers' request to defer this matter, had he not made that rather unwise and brash statement the other night. He put himself in a box and now we are told we are going to have this proposal on the statute books.

I would not say that the House is being bribed, but it is being asked, "Pass this little bit of legislation and if we find something better in the future, then we will substitute that for it." Is this a proper way to do things? If this measure is bad it should not be put on the statute books, and the Government should recognize that this is not the most satisfactory way to deal with the problem.

Is there any particular rush? What is the rush, that newspaper owners must be protected? Is the Montreal *Gazette* about to be taken over, or the Toronto *Star*, or the Vancouver *Sun*? Is this something that is over the horizon, or is there something in this that involves Lord Thomson? I do not know what the reaction of my hon. friend from Port Arthur is going to be when I mention that eminent gentleman's name. Is he considered by the Canadian government to be a foreigner, now that he has a title, or just what is the situation with regard to him?

[Mr. Lambert.]

Not only has this proposal been criticized in Canada but it has also been criticized in the foreign press. The Canadian Press under dateline of May 29 reports that the London *Daily Mail* calls it a subtle encroachment on press freedom, not very different from withholding government advertising, a favourite device for bringing newspapers to heel in countries where press revenue is scanty.

The Vancouver *Province* of May 21 said:

An aura of underhandedness does not sit well with many Canadians...dangerous to freedom of the press...conflicts with the interest of the public and of the newspapers themselves. If there is validity in Ottawa's worry over foreign control it should be made plain to the industry and to the public before steps are taken...then let it be done openly, not through misuse of legislation.

• (8:50 p.m.)

I suggest that the use of a tax penalty is really a misuse of the legislation.

As far as the other end of the country is concerned, this is what the *Daily Gleaner* of Fredericton said on May 22:

The bill is one the Government should withdraw...It is the beginning of Government control of the press. It establishes the false principle that the decision of a Government department can be allowed to damage some periodicals and benefit others (and determine) what should be published and who should publish it. Democracy and a free press—one cannot exist without the other.

I find that the tax proposal with regard to personal income tax is acceptable, even though it is but crumbs to a small number of people. It is generous to those who, frankly, would not miss it too much, and it penalizes those who are particularly industrious and energetic. It does not do one whit of good to the many scores of thousands who do not pay income tax.

With regard to a number of the proposals which close loopholes, we in the Opposition express our agreement with them. But we are against this punitive provision with regard to newspapers, and we shall oppose it. I wish to be clear on that. As I indicated the other night, I accept many of the changes which the Minister has in mind. But this is a package deal in which we find a combination of two divergent principles. We are dealing here with an attempt to control the press through income tax and we are also dealing with capital cost allowances, incentives to industry, and so on. Nevertheless, the Government is asking the Opposition, and those who would oppose one feature, to approve or disapprove of the whole package. I will make my position very clear, as did the hon. Member for Queens.

What I have to say, now, is not based on anything contained in the bill. It is a request to the Government in connection with the regulations governing the capital cost allowance referred to in the budget speech as reported in *Hansard* on page 436:

> I am also proposing some changes in capital cost allowances to help farmers who are facing difficulty in marketing corn and other grain crops in areas where there is a shortage of grain storage facilities. I am thinking of many areas, including the area comprised by the constituency of Essex East, a great corn belt. Under this plan, which will be incorporated in a regulation, the cost of all new grain storage facilities constructed in the period May 1, 1965, to December 31, 1966, may be written off for tax purposes over a four-year period.

This matter is now crucial for a large number of farmers and the sooner we can have these regulations the better off we will be. In order to assist hon. Members in advising their farmers I would suggest that instead of having the regulations appear in a regular bulletin from the Minister of National Revenue where it is read by tax authorities and few other people, the Minister should table them. Notice would then appear in *Votes and Proceedings* and Members would be aware of them. This is a simple request, and compliance with it would assist Members on both sides in advising farmers in their constituencies as to the way in which they may be affected. I know this concerns many of the farmers in Western Canada and I am sure the same applies to Eastern Canada.

I think I have made the position of this party clear as far as the second reading of this bill is concerned.

Mr. Barry Mather (New Westminster): I wish to address my remarks to that part of the bill which is concerned with the ownership of the press in Canada. I speak as a newspaperman and I support the Government's proposals.

It is estimated that more than 60 per cent of Canada's manufacturing and resource industries is already in foreign hands. Our motion picture screens, our television screens, our magazine stands carry the products and influences of another country. If our press is to be allowed to fall into foreign hands I think we can have very little left to claim as Canadian.

I wish to quote briefly from the O'Leary Commission's report on publications of four years ago:

> The communications of a nation are as vital to its life as its defences and should receive at least as great a measure of national protection. Every nation must provide within itself the means of maintaining stability. In North America today this function is largely directed and exercised through communications media.

The Government, rightly, I think, intends to bar foreign ownership of Canadian chartered banks and of the newspapers of Canada. As the Minister has stated, at the present time there is no law to prevent the purchase by non-residents of any of our newspapers. Some sections of the press, or perhaps I should say some publishers, have been opposing the Government proposal on the ground that it represents an interference with press liberty. This opposition is very much confined to a section of the publishers or owners of the press of Canada. I have yet to hear a member of the working press of Canada, or of the press gallery, or of the other newspaper workers, or of the advertisers in Canada oppose the government's plan to keep ownership of the Canadian press in Canadian hands.

Much as I disagree with that part of the Government's proposals which allow *Time* and *Reader's Digest* to continue to undermine and destroy the magazine industry in Canada, I support the proposals which have been put forward with the object of keeping at least Canada's press under Canadian ownership. Heaven knows, in Canada at the present time there is a high ingredient of United States editorial material. Again, it is well known that the press of Canada is biased in its handling of news; the press of Canada is naturally very much prejudiced in favour of big business. I say "naturally" because the press of Canada is big business itself. In recent months it has cost $3 million in Eastern Canada to fail to start a new daily newspaper. In even more recent times it cost a million dollars in Vancouver to almost fail to start a new paper. It has not yet been established. So the press itself is big business and it naturally sympathizes with this section of our community. That is understandable.

However, the legislation before us does nothing to interfere in any way with the freedom of the press in Canada—even the freedom to remain biased. It has nothing to do with editorial content. It simply proposes to keep press ownership in Canadian hands. It is ridiculous for publishers in Canada to say that this in any way impinges upon the freedom of the press. Actually, the press has no special freedom at all. It has only the freedom to report the news quickly, accurately and truthfully to the Canadian people. If we had real freedom of the press in Canada we would not have this continual amalgamation of the

newspapers and a concentration in fewer and still fewer hands of the news media of the country.

• (9:00 p.m.)

I have been a newspaperman for about 30 years, and as such I felt it was reasonable for me to say a few words in support of this present legislation. I think in doing so I am speaking out in favour of freedom of the press and against something which is quite different—freedom for the press. Freedom of the press, as I have tried to explain, is the freedom and ability of the press to function on behalf of the people of the country. Freedom for the press descends into some sort of commercial advantage to the owners and publishers of newspapers. I am very much in support of the legislation which the Government has put forward on this point of Canadian control and ownership of Canadian newspapers.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, in his opening remarks I was pleased to hear the Minister of Finance (Mr. Gordon) say that an inquiry is now under way to attempt to do something about the favourable postal rates and subsidies now being granted to *Time* and *Reader's Digest*. We in this party do not believe that these two magazines should enjoy any special privilege, particularly when this involves subsidies of public money through the Post Office Department.

I was also interested to hear the Minister of Finance suggest that the method outlined in this bill is the only way the Government could find to impose conditions which would have the objective of keeping Canadian newspapers and periodicals Canadian owned and controlled. He even went so far as to say that if anyone, be it the Publishers Association, Members of the Opposition, or anybody else, came forward with some other method of achieving this objective, the Government would be receptive to it.

I think there is a case to be made for a little more time to consider other methods of achieving this objective. The Minister of Finance suggested that to do nothing would perhaps be a disservice to Canada, because in the meantime there could be some publications purchased by foreign companies and it would be difficult to do anything about it on a retroactive basis. I should like to draw the attention of the Minister of Finance to the fact that he did not hesitate when bringing in legislation respecting the ownership of banks in Canada to make a press announcement months ahead disclosing that the Government intended to impose restrictions on the ownership of the chartered banks of this country. Furthermore, if any province bought any shares before that legislation became fully effective, the Government was prepared to remove the voting rights from those common shares.

I think there is probably some disagreement about whether the federal Government now has the constitutional right under the British North America Act to say who shall own shares in any kind of property or company, be it banks or anything else. The Minister of Finance attempted to contend that because banking and the control of currency and coinage, and so on, comes under the umbrella of the federal Government and its statutes, it gave the Government the authority to say who could own these shares. I think there is a very important legal argument to be made here namely that this kind of parallel is not very appropriate because it is difficult to equate monetary control in the country with the ownership of any property, be it banks or otherwise.

If the Government needs more time, or if it is so receptive to other suggestions about how we can control and own Canadian publications, why does not the Minister pursue the same course he pursued with respect to banks? He could announce that it is the Government's stated objective to say that Canadian publications shall remain owned and controlled by Canadians and that it was not particularly satisfied with the ways and means which have been evolved so far to achieve this objective. However, it could stress that when a satisfactory way of doing this is found, any transfers of ownership in the intervening period will be subject to the law. It seems to me, Mr. Speaker, that this is equally as possible in this field as in the field of shares of banks.

As far as we in this party are concerned, I think it is fair to say that we believe an instrument as important as the press, and publications, which is one of the most important means of mass communication in the country, should be owned and controlled by Canadians. We do not particularly like the proposal that this shall be achieved through discriminatory tax measures, yet we do agree with the objective. Therefore I think the proper and responsible thing to do at this time is for the Government to make this sort of statement, indicating this is the objective, and perhaps allow some additional time for working out ways and means to achieve it, without interfering with the freedom of the

press, or what is claimed to be interference with the freedom of the press.

I do not see anything in the bill which provides for imposing discriminatory tax laws on advertising in those publications which remain Canadian owned. Therefore the contention that there is going to be severe interference with the operations of newspapers is not just quite as valid as some spokesmen would try to make out. Yet I am not satisfied that discriminatory tax laws are the way to see that these newspapers and publications remain under the control of Canadians. That is why I think that a little more time would be useful so as to seek other methods more generally acceptable.

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I want to concentrate most of my remarks on the magazine and newspaper legislation. However, before I get to that I want to make a few comments in line with the personal observations that the Minister of Finance (Mr. Gordon) made regarding myself. I am not going to take umbrage when a so-called economist refers to a so-called columnist, but I do not like the word "intemperate" being used, partly because of its connotation of drink. I want to assure the Minister of Finance that if he is going to label me as a boozer he is on the wrong track; this is something I do not get involved in.

He also accused me of making scurrilous comments about the Prime Minister (Mr. Pearson). I should like to read the definition of scurrilous which is found in the Concise Oxford Dictionary. It is as follows:

> Grossly or obscenely abusive (of person or language), given to or expressed with low buffoonery.

• (9:10 p.m.)

That is almost exactly the mood I should like to be in to express my feeling, not about the Prime Minister but about the Minister of Finance and this particularly oddity—oddity from this point of view—that he has brought forward. During the last few weeks, in looking at the Imperial Oil billboards all across the country, we have seen reference to a "tiger in your tank", and there are tiger tails all over the place. The bill now before us is the Canadian tiger tail, and that tiger tail is certainly in the gas tanks of this Government, snarling all over Canada. The Minister is a tiger in respect of Canadianism, and he is going to protect Canadian newspapers from these foreign encroachers. He is going to see that by this indirect taxation on advertising Canadian newspapers will be maintained as Canadian.

I suppose the Minister's argument really runs like this. This is an indirect measure of taxation on advertising which will keep Canadian newspapers Canadian, because it will inhibit any increase in the equity value of Canadian newspapers and, therefore, it is unlikely that any bidding will develop between the United States and British capital for Canadian newspaper possession, because they are aware that this indirect Government advertising tax is in existence. That is not a bad way of doing it, but it is terribly direct.

The Minister says that no one has come up with any alternative. Surely he should have set out some of the other possible alternatives that were considered. This matter of newspapers shows the Minister, as I am sure many Canadians and some of my colleagues feel, at his best—a real red-blooded Canadian tiger who is going to keep the Americans off our backs. However, at the very same time, what does he do with these two most pervasive of all Canadian cultural items, *Time* and *Reader's Digest*? He naturalizes them. That is the irony of this situation.

I thought the Minister was a bit of a desiccated pharisee a few years ago in this House when there was a motion put forward by our friends from the Social Credit, who argue for debt-free money, at which time he got up with a most embarrassed look on his face—he had the fairness to wince a little bit—and gave an indication that the Liberal Party was going to vote for debt-free money. Ever since then he has been twigged about this, and that is an indication that he was influential at that time, as I am sure we are all willing to believe, in getting the Liberal caucus of that day to vote in favour of it. He really did not believe in debt-free money, but he saw this as a device which would fit in with the pattern of harassment to get the Cabinet to vote for it. In other words, he and his colleagues were not consistent in principle with what they were voting for.

Here we have a much greater inconsistency. This is a Minister who last year would not put this bit of legislation regarding *Time* and *Reader's Digest* in his name on the order paper, or at least he has not given us any explanation as to why it was in the name of the Prime Minister (Mr. Pearson) rather than in his own name.

What possibly could have happened to the Minister's Canadianism—a tiger in one case and a mouse in another? What happened to

his nationalism? I think we must try to construct the picture of that pressure, the lobbying and the influence that came to bear upon the Minister and the Cabinet and, I suppose, upon the Prime Minister. I do not know whether we can ever expect to get the complete picture, but I suggest it is something like this. There have been a great many Cabinet meetings about this particular problem, and I think from the very beginning —certainly well before the budget of 1964— the present Minister of Finance (Mr. Gordon) was adamant about this question of *Time* and *Reader's Digest* and was for Canadianizing them. Obviously he could not be, and still have any kind of consistency in principle in the general attitude he has taken in election campaigns and in that book *Troubled Canada* which he or somebody else wrote.

This is the point I want to make about this particular situation. At some time during these various situations he moved away from his earlier position—he moved away partially last year in respect of that resolution which was presented in the Prime Minister's name. He has moved further away this year in that this resolution is in his name. It appears almost that the Minister has made a trade or a deal, in a sense, in the balance of power struggle that goes on within the Cabinet. I believe the Prime Minister was convinced by representations from *Time* and *Reader's Digest*, because of that close association a couple of Members of the Liberal Party in the Montreal area have for these magazines, that punitive action could not be taken against these magazines. It seems to me that the Minister of Finance has given up, and in order to salve his once held desire to protect his reputation as a Canadian tiger, in so far as his attitude toward *Time* and *Reader's Digest* is concerned, has now said: I may have to take a lot of abuse in that regard but I can sure unfurl the Canadian banner about newspapers.

I am sure this process within the Cabinet took a long time, just as I am sure the process took a long time within the Liberal caucus when some of those minor tigers, and those lower-grade tigers in that caucus, who felt so strongly a few months ago about *Time* and *Reader's Digest*, adjusted their views,—with the exception of one who spoke up clearly about this issue, and I refer to the hon. Member for York-Humber (Mr. Cowan). Of course that hon. Member, fortunately, I suppose, put his place in the Liberal speaking order away down on the list as a result of last year's flag debate. I suppose none of those other minor tigers who felt so strongly about *Time* and *Reader's Digest*, as indicated to us around this place, and their intention to vote against the nationalization or neutralization of *Time* and *Reader's Digest*, are now of the same opinion. They have faded away in exactly the same way and with the same excuses as the Minister of Finance. Apparently they have adopted the attitude that although they have to keep on the side of *Time* and *Reader's Digest*, we should look around at what they are doing with Canadian newspapers.

[Mr. Fisher.]

This is an odd kind of compromise and it seems to me to be one of the best indications of the fact that the situation which has now developed has developed because this is an omnibus section with which we are dealing. The two things have in a sense been married. At the resolution stage it was impossible for us to vote in a clearcut way in regard to *Time* and *Reader's Digest*, as well as in regard to newspapers. We agree in the main with the idea about the newspaper part of it, but we also agree with our Parliamentary colleagues to the right, as their spokesman has said, that we should have the right to express our views clearly and not be confounded by this *Time* and *Reader's Digest* naturalization position. We believe that we here in Parliament should have the right to look at these two issues separately. It is rather scurvy, if not scurrilous, on the part of the Minister and his Government to bring this legislation before us, bundling the two things together. I think it is an indication of what happens so often to the kind of ideals that those enthusiasts in the Liberal party are always suggesting we should see symbolized in them.

• (9:20 p.m.)

Last night, as the Minister knows, the Toronto *Star* also commented on the fact that the federal Liberal Party should accept some of the responsibility for the medicare situation in Canada and went back to 1919 when it was first introduced into the Liberal program. The Parliamentary Secretary who hails from Hamilton has been leaking in Kirkland Lake and has been leaking in the newspapers last week that they are tigers over there for medicare. I would say they were tigers for medicare back in 1919, but that would be far too modern an advertising symbol to use. However, he claims they are tigers for medicare.

This is another example of the inconsistencies. I do not suppose it will hang on the conscience of the Minister of Finance too long, although it seemed to me when I read that rather plaintive quotation from him in the Toronto newspapers in which he talked about how he would love an election soon, let us have an election soon, fight it on the old boundaries—

An hon. Member: Tiger Gordon.

Mr. Fisher: Tiger Gordon—that it might also be an easy way for him to get out of here and forget about the compromise he has had to make with most of his Canadianism principles in this piece of legislation he has brought forward.

Mr. Fairweather: He was seduced by Henry Luce.

Mr. Fisher: Mr. Speaker, I should like to think that too, both figuratively and literally, but it is pretty hard. But, Mr. Speaker, we have a situation in respect of *Time* and *Reader's Digest* where we are given another excuse and another crutch in connection with the whole question of mail subsidies. The Minister knows and so does the Government that there has been a tremendous loss on second class mailing matter for a number of years. Five years ago Hon. Bill Hamilton told us that the loss was running around $20 million and only a couple of years ago it had risen to approximately $26 million. The O'Leary Commission really knew the details and we have been told that *Time* and *Reader's Digest* bear a considerable responsibility. As a matter of fact, the subsidy figures have been worked out. I know they have been on the Minister's desk, as they have been on mine, but the Minister's are much more official.

What excuse are we given? Well, they are still running a survey. They still do not know. They are certainly going to see that *Time* and *Reader's Digest* are Canadianized but they are not going to let them get away with murder in the postal rates. Once they are good Canadians it seems rather mean to come along and catch up with them later, except from the point of view of a bit of salve for this tiger's conscience.

I should like to ask the Minister a question in connection with *Time* and *Reader's Digest* and this naturalization process. What happens if either of these organizations launches some kind of subsidiary publication? I should also like to ask him why he did not consider going a bit further than talking about mailing privileges and placing some kind of embargo on plates coming into Canada from the United States in connection with *Time* and *Reader's Digest*? Why protect only publishers? Why not go further and protect Canadian printers? This is one aspect of this whole business that has not been touched on at all. You not only want to protect Canadian publishers, who I suppose include *Time* and *Reader's Digest* now, but you need to protect Canadian printers.

I have here an advertisement by Admiral that appeared in the Vancouver *Sun*, a Canadian newspaper. The full advertisement ran in all the big national papers a week or so ago and I understand that the total budget for this advertisement would be roughly $100,000. The interesting thing is that the advertisement was prepared and set up in the United States. It was printed in the United States and then brought to Canada and run here. The Vancouver *Sun*, like most of the other papers, used the back page of the paper. I suppose it might have been buckshee to them.

This is an example of the kind of thing that should worry this Canadian tiger. I am sure that the Vancouver *Times* has the kind of plant with colour processes that could produce this type of advertisement. I would assume that a great many of the advertisements we see in this country, particularly in *Time* and *Reader's Digest*, are produced from plates shipped into Canada from the United States for that part of *Time* and *Reader's Digest* not printed in the United States. Why could we not have had some protection for the printers in this regard?

The fact that the newspaper part of the situation is included in this legislation has unhappily led a great many people to miss the *Time* and *Reader's Digest* aspect of the matter and to miss the strength of the recommendations made by the O'Leary Commission. So far as the newspaper part of the matter is concerned, Mr. Speaker, it seems to me and to my colleagues that it will really not have the bad effects that the publishers are talking about, except upon the value of their equity. In this sense I believe there may be a discrimination against them but, as hon. Members have pointed out, it is no different from the discrimination that the Minister has talked about in a lot of his other legislation in the business field.

Even though the Minister insists that the legislation in connection with newspapers go through, he has given an indication that if the newspaper publishers will come up with

some kind of solution he will be prepared to listen to them. I have never heard anything that sort of begged the question more than that kind of answer. Why did he not just tell the newspaper publishers that this was it? If the newspaper publishers have not been able to come up with an answer by this time and if the Minister has rejected the only suggestion put forward by them that seemed to me to have any sense, namely that a general resolution be adopted by the whole House, then why diddle and fool around with the possibility of representations on and on and on?

There is a two volume study entitled "A History of Canadian Journalism" written by W. A. Craick. The second volume, which appeared a few years ago really is not a history of Canadian journalism. It is a continuing record of the Canadian Daily Newspaper Publishers Association and, even less than that, it is really a record of the kind of representations they have made as a lobby group to protect their special privileges with regard to mail, postage and other such matters. In other words, there may be a tendency among many Members, particularly in the Conservative party, to feel that the Canadian daily newspaper publishers have been knit together in a kind of band of brothers with a tremendous concern about the quality or value of journalism.

• (9:30 p.m.)

Well, basically, that is not what the association has been for over the years. You do not have to take my word for it. You can judge by reading these two volumes. I make this particular point, not to support our Canadian tiger over here, but to suggest to the Members of the Conservative Party who are worried about the newspaper part of it, that this particular association all the way through its record—this is not criminal and I am not suggesting there is anything bad—has been a commercial association. It has been designed, in the main, to protect financial interests. These publishers, and their association, have not been fanatically concerned about the freedom of the press, with the odd exception. They have not been concerned about the whole question of human liberty or the advancement of this nation. This association has been strictly, throughout the years, a down to earth lobby organization that gets together once a year and looks at all the fronts, including taxation, advertising and any legislation that may affect it, good or bad. Of course, its main concern over the years has been to keep mailing costs as low as they possibly can.

Now, in this particular case, I think that the Minister may have already given this publishers association more attention than it deserves. Again, I want to say we are embarrassed about the fact that the two matters are bound together. I know that I have to vote against this particular part of the legislation because of the *Time* and *Reader's Digest* aspect of it. I know it is too late. The Minister is sitting there with that sort of granite face. We are not going to get the two of them split. It is funny, you know, that a party which could devise that double-barrelled flag resolution last year cannot come up with something a little bit double-barrelled on this issue.

Mr. Addison: It was the Speaker that split them.

Mr. Fisher: Well, the Speaker might be willing to do so again, if he were given a little prompting. I want it to be very clear, Mr. Speaker, that we are against *Time* and *Reader's Digest* becoming naturalized Canadian citizens. We are for the legislation with regard to Canadian newspapers, and we are rather embarrassed at the Minister and the Liberal Party for the kind of promise they put forward over the years. It is corny to make appeals, Mr. Speaker, when you have this tiger calling for an election and standing or falling on something. I should like to forget him and make a request to some of those bold backbenchers who have a feeling of Canadian nationalism. Let us hear from more than the hon. Member for York-Humber (Mr. Cowan) about how you feel about *Time* and *Reader's Digest*. Let us hear from the hon. Member for York-Scarborough (Mr. Moreau), and the hon. Member for Carleton (Mr. Francis). I want to ask the hon. Member for Carleton to switch his worries from redistribution and tell us where he stands on *Time* and *Reader's Digest*, and why he is going down the line with the Minister of Finance (Mr. Gordon). There is the hon. Member for York North (Mr. Addison), who is prepared to stand up and fight the move of the forestry lab from his constituency to Sault Ste. Marie. Is he not prepared to stand up and fight to keep *Time* and *Reader's Digest* from becoming Canadian citizens? I see that all the requests and pleas in the world are not really going to strike many spots. They are tigers, all right; they are in the tank and the lid is on.

The Acting Speaker (Mr. Batten): Is the House ready for the question?

The House divided on the motion (Mr. Gordon) which was agreed to on the following division:

YEAS

Messrs:

Addison	Lessard (Lake St. John)
Badanai	Lessard (St. Henry)
Balcer	Loiselle
Barnett	Macdonald
Batten	MacEachen
Béchard	MacNaught
Benson	McIlraith
Berger	McLean (Charlotte)
Blouin	McWilliam
Boulanger	Marcoux
Cadieux (Terrebonne)	Martin (Essex East)
Cameron (High Park)	Martin (Timmins)
Cameron (Nanaimo-Cowichan-The Islands)	Mather
Cantin	Matheson
Caron	Matte
Carter	Moreau
Cashin	Morison
Chrétien	Mullally
Côté (Chicoutimi)	Munro
Crossman	Nicholson
Cyr	O'Keefe
Deachman	Olson
Douglas	Orlikow
Drouin	Otto
Dubé	Patterson
Émard	Paul
Eudes	Pepin
Forest	Peters
Forgie	Pilon
Francis	Prittie
Gelber	Prud'homme
Godin	Rideout, Mrs.
Gordon	Rinfret
Gray	Robichaud
Greene	Rochon
Guay	Rock
Habel	Roxburgh
Hahn	Ryan
Harley	Sharp
Hellyer	Stewart
Herridge	Tardif
Honey	Teillet
Jewett, Miss	Temple
Kelly	Tremblay
Knowles	Tucker
LaMarsh, Miss	Turner
Lamontagne	Walker
Laniel	Watson (Châteauguay-Huntingdon-Laprairie)
Laverdière	Webster
Leduc	Whelan
Legault	Winch—102.

NAYS

Messrs:

Bell	Coates
Brewin	Crouse
Cadieu (Meadow Lake)	Danforth
Cantelon	Dionne
Cardiff	Doucett
Churchill	Fairweather
Clancy	Fane
Fisher	Nasserden
Flemming (Victoria-Carleton)	Nesbitt
Forbes	Nielsen
Grafftey	Noble
Gundlock	Nugent
Hales	Pascoe
Horner (Acadia)	Perron
Horner (The Battlefords)	Pugh
Irvine	Rapp
Kennedy	Rhéaume
Lambert	Ricard
Laprise	Saltsman
Loney	Southam
MacEwan	Starr
MacLean (Queens)	Stefanson
Macquarrie	Stenson
McCutcheon	Thomas
Madill	Vincent
Mandziuk	Watson (Assiniboia)
Monteith	Webb
Moore	Willoughby
More	Winkler—58.

Mr. Deputy Speaker: I declare the motion carried.

Mr. Mackasey: I was paired with the hon. Member for Bow River. Had I not been, I would have voted in favour of the motion.

Mr. Pennell: I was paired; had I voted, I would have voted for the motion.

Mr. Groos: I was paired; had I voted, I would have voted for the motion.

[*Translation*]

Mr. Martineau: Mr. Speaker, I was paired with the Minister of Justice (Mr. Favreau). Otherwise I would have voted against the motion.

[*English*]

Mrs. Wadds: I was paired with the hon. Member for Winnipeg South. If I had voted, I would have voted against the motion.

Bill read the second time and the House went into committee thereon, Mr. Lamoureux in the Chair.

• (10:20 p.m.)

Mr. MacInnis: Mr. Chairman, on a point of order. A remark was made on the other side to the effect that I did not announce my pair. If I do not choose to do that it is my own business, and I would ask the hon. Member who made the remark to withdraw it.

The Chairman: Shall clause 1 carry?

Mr. Knowles: Ten o'clock.

Progress reported.

BUSINESS OF THE HOUSE

Mr. McIlraith: Mr. Speaker, tomorrow we propose submitting the Income Tax legisla-

tion for completion, the Judges Act, the veterans legislation, the motion to appoint the Committee on Consumer Credit, and then proceed to interim supply.

Mr. Starr: On a point of order, I would like to ask the Government House Leader since when has this resolution on consumer credit been injected into the program, because the Prime Minister made no mention of it whatever?

Mr. Walker: It has been debated already.

Mr. McIlraith: I understand it was debated yesterday.

Mr. Churchill: By accident.

Mr. McIlraith: I take it from the hon. Member's remarks that he is raising some objection. I will look into the matter in the morning.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the House under Provisional Standing Order 39A deemed to have been moved.

LABOUR CONDITIONS—INQUIRY AS TO AMENDMENT OF FAIR WAGES AND HOURS OF LABOUR ACT

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the Canada Labour Code, even though we had to wait a long time to get it, is a good piece of legislation. It provides a minimum wage, a maximum work week, two weeks holiday with pay after one year and eight statutory holidays for all the employees who are covered by this legislation.

However, there are certain employees ostensibly in the federal field who are not covered by the code. These are in two categories—direct employees of the Federal Government and persons working on Federal Government contracts. Actually the first person to mention the fact that the Canada Labour Code would not cover these other categories of workers was the Minister of Labour (Mr. MacEachen) himself. When he moved the second reading of the Canada Labour Code on October 13, 1964, he pointed this out, as will be seen from a reading on pages 8999 and 9000 of *Hansard* for that date.

In doing so the Minister made clear the Government's intention later in that same session to cover these other groups of people by bringing forward amendments to the Fair Wages and Hours of Labour Act. The next day, October 14, 1964, in response to a question of mine as reported at page 9062 of *Hansard*, the Minister of Labour confirmed that it was the Government's intention to bring in the amendments to the Fair Wages and Hours of Labour Act that session, which was the second session of this Parliament, the one which ended on April 3, 1965.

While that session was still in progress, in particular on February 26, 1965, as reported at page 11770 of *Hansard*, I asked the Minister whether it was the Government's intention to make sure that the protection afforded by the Canada Labour Code would be extended to these other people and whether this coverage would apply by the same effective date, namely July 1, 1965. The Minister's reply was clear. He said: "That is the intention, Mr. Speaker."

A month or so later, in the present session, I asked the Minister on May 10, 1965, as reported at pages 1100 and 1101, when this would be done. His reply was: "As quickly as possible". I asked about the previous commitment with respect to July 1. On May 11 I reminded him again of this previous commitment and in reply to my questions on that date he again said the Act would be amended by July 1. This is in keeping with the commitment made throughout that these four minimum standards to which I have referred would be made applicable not only to those who come under the Canada Labour Code but to these other two groups, direct Federal Government Employees and those working on Federal Government contracts.

Time has a way of slipping by. The legislation did not appear on the order paper, so on June 3, 1965, I asked the Minister again when this legislation would be brought in, having in mind the commitment that it would be passed before July 1. The Minister's response to that question, to be found at pages 1932 and 1933, was that the parliamentary timetable was getting in the way. I asked him whether the delay was caused by representations against the legislation. His reply was that the only delay was that which had arisen because of difficulties connected with the parliamentary timetable.

On June 16, as reported at pages 2501 and 2502, I asked the hon. gentleman when this legislation was to be brought forward and again he confirmed it would be done by July 1. Yesterday, however, June 21, when I again asked the Minister about this Fair Wages and Hours of Labour legislation he fell back on the explanation that the parliamentary timetable did not permit this to be done by July 1. When I asked him what had

happened to the Government's promise to bring it in by July 1, his answer was that nothing had happened to the promise, that it was still the Government's intention, but that it depended on the parliamentary timetable.

• (10:30 p.m.)

There is no argument about the substance of this matter. The Minister and I are agreed that these minimum standards should be made applicable to all the people whom the federal Government can cover. The whole question is whether or not it will be done by the date the Minister promised, namely the same date the Canada Labour Code comes into effect; and that has been established as July 1, just a week or so away.

The argument about the parliamentary timetable being the problem is now ridiculous. We are running out of Government business these days. Before we know it we shall be adjourning for a summer recess. I suggest that in view of that the Minister ought to keep his promise and bring this legislation in before the House rises for any summer recess. I say to him that if he tries to use the argument that the Prime Minister did not include it in the list of business which he announced on June 9 as the business for this part of the session, the answer is that whenever the Government comes along with something that was not in that list and somebody from the Tory front bench complains about it, some Minister in the Government gets up and says: "Read the second sentence of what the Prime Minister said"—namely that there might be emergencies. I suggest that keeping the Minister's promise is the kind of emergency which is covered in that sentence and that this legislation ought to be brought in before July 1.

There can hardly be an argument about the substance of this legislation. We fought the battle when we had debate on the Canada Labour Code. The point is to extend it to all the employees that federal law can cover. The Minister mentioned the other day that one feature only, namely the minimum wage, will apply to one part of the group, but this is not good enough in view of the fact that it is the Fair Wages and Hours of Labour Act itself that needs to be amended by July 1. I would ask the Minister to do himself proud, to keep his promise, and to bring in this legislation before July 1.

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, there are three categories of employees involved in this situation. They are employees in federal industry covered by the Canada Labour Code, which comes into effect on July 1, 1965. The second category is direct employees of the Government of Canada. If I had more time I would deal with the four items covered in the Canada Labour Code respecting direct Government employees. I have searched *Hansard* very carefully for all the references the hon. Member was good enough to make available to me, as well as other references since we began discussing this matter, and all of the references to July 1, 1965 were directed exclusively to direct employees of the Government of Canada, to federal employees.

Mr. Knowles: They were directed to the Fair Wages and Hours of Labour Act.

Mr. MacEachen: There was never at any particular time—and an examination will bear this out—a commitment to have this legislation enacted by July 1, 1965. I have always talked in this context about federal employees. Employees working for contractors doing federal jobs are not federal employees by any stretch of the imagination.

We shall have covered employees in federal industries and direct employees of the Government of Canada by July 1, 1965. We will complete this three-fold effort to improve basic working conditions by making the appropriate amendments to the Fair Wages and Hours of Labour Act. Last session in October I expressed the hope that these amendments would be completed, but we know what kind of session it was. There were times when I did not think we would get the Canada Labour Code through or the pension plan, let alone the Fair Wages and Hours of Labour amendments. The Fair Wages and Hours of Labour amendments were forecast in the speech from the throne for this session and they will be completed at this session. I suggest to my hon. friend that if he carefully examines the *Hansard* record he will conclude, as I have done, that the only commitment with respect to July 1, 1965 was in connection with federal employees. At no time was there a commitment that the amendments would be completed by July 1, 1965, although I am as eager as my hon. friend to have them completed and would have had them completed last year had we had a different kind of session. However, that is now part of history, and these amendments will be completed this session.

Mr. Knowles: I hope this promise will be kept.

Proceedings on Adjournment Motion

ADMINISTRATION OF JUSTICE—TORONTO—PRODUCTION AND C.B.C. SHOWING OF SEX EXPLOITATION FILM

Mr. Ralph Cowan (York-Humber): Mr. Speaker, last Friday morning I thought it advisable to ask this question of the Department of Justice:

Will the Department of Justice be taking any action against C.B.C. employees Ted Leversuch, John Cavall, Phil Styles, Peter Douett and John Ashley, who have recently aided Independent Film Artists Limited of Toronto in producing the sex orgy film "Room for a Stranger", at Lakeshore Studios in Toronto? Is not this sex exploitation film, which features Jean Christopher, currently appearing on the C.B.C. program "Nightcap" in violation of Section 150 of the Criminal Code?

When I asked that question I was invited to place it on the order paper. No reply was vouchsafed by the Department of Justice.

This film, which is known as a "stag film" in the trade, is described in a little publication "CINE World"—I suppose the emphasis is on "CIN"—but the name is "CINE World". This booklet describes the film "Room for a Stranger" as being distributed in the United States by a chap by the name of Sam Lake, "one of the foremost distributors of sex-exploitation pictures in the world". When I saw the pictures in this little magazine, which states that it is "devoted to the art of films and filming", I immediately thought of the Criminal Code and particularly section 150 which states in part:

Everyone commits an offence who
(a) makes, prints, publishes, distributes, circulates or has in his possession for the purpose of publication, distribution or circulation any obscene written matter, picture, model, phonograph record or other thing whatsoever,—

The Code provides for a maximum sentence of two years in jail for anyone who is convicted under this section 150.

I knew there was no use asking a question in this House as to whether or not the C.B.C. had knowledge that it employed people who make these sex films after hours, because the answer would come back in 18 months, from the unsearchable depths in which the C.B.C. hides, that the C.B.C. has no knowledge of the picture in question and is, therefore, unable to give an answer. I thought, however, if it asked the Department of Justice I would get a straight, forthright answer, because that department is willing to express itself and does not shed its authority by stating it cannot answer for the actions of the R.C.M.P., or that it cannot answer for this organization or that organization. That department always gives answers; but no answer is ever forthcoming from the C.B.C.

[Mr. Knowles.]

I asked this question about this film because I could not believe it possible that the C.B.C., which produces these high quality films it is everlastingly advertising and talking about, which are much more high quality than any which can be produced by private T.V. stations, would employ such characters as produced this super picture. It is interesting to find that the characters that appear in this picture are of the very superior C.B.C. type.

After I asked the question on Friday morning, some newspapermen came around wanting to know whether I could tell them where to buy this little booklet. I told them I bought mine at the Book Cellar, located at the corner of Bay and Bloor Streets in Toronto. Someone asked: Are you accusing the C.B.C. of making this film? I said: I am not accusing the C.B.C. or anybody else of anything. I simply asked whether these people who made this sex exploitation film were going to be prosecuted under section 150 of the Criminal Code. I never mentioned the C.B.C. at all. All I did was to give the police, the Department of Justice and any other justice authorities interested in the problem, the addresses at which these people could be picked up if action should be taken. It was no concern of mine whether they were employed by the C.B.C. I just thought I might help the police officials by giving them the addresses at which these people could be found.

• (10:40 p.m.)

The C.B.C. then rushed into the act and started to give answers in reply to questions I have never asked. I am not interested in their replies. In fact, they have even gone to the point of stating that they will issue a formal statement in reply to Mr. Cowan. Since Mr. Cowan did not ask them anything he is not interested in any formal reply.

But it is interesting that when I stated that the film was made by C.B.C. employees who were moonlighting, the C.B.C. issued a statement to the Toronto *Globe and Mail* denying that this picture was made on moonlighting time but saying that it was made on spare time of its employees. Somebody should take the C.B.C. aside some day and ask them what the difference is between moonlighting and a spare time occupation. The rest of us do not understand, but the C.B.C. draws some kind of distinction. I am not asking the C.B.C. any questions tonight. My question is whether the Department of Justice is going to take any action against these people.

Mr. Phil Styles, a C.B.C. employee, is listed as production manager of this sex exploitation film, "Room for a Stranger". The C.B.C. might answer this question. Does he have authority to declare C.B.C. sets surplus so they can be bought by the producers of private television films at knock-down prices? If he has authority to declare sets surplus and they are bought cheaply by other people, why are they not publicly advertised for sale so that we can get the highest possible price for C.B.C. sets?

But this is not the point on which I am seeking an answer tonight. I know this film is one of sex exploitation from the description in the little paper and the pictures I have seen. Miss Christopher has told the *Globe and Mail* that there is a definite plot in the picture. If hon. Members could see the pictures I have seen in *CINE World* and could see the eyes of the actor they would know there is a definite plot all right, but Miss Christopher does not give too much detail in that regard in her newspaper comment. I simply ask the Department of Justice: Is any action being contemplated against these C.B.C. employees who in their spare time—the C.B.C. says they are not moonlighting—are making films which are described in *CINE World* as sex exploitation?

Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice): Mr. Speaker, the hon. Member has brought before the House a matter of some considerable interest. Just to show the interest of all Members and others, may I say it is not very often that at this late hour we are blessed with the presence of very many members of the Press Gallery and I noticed that as the hon. Member was speaking a member of the press was standing up to look very closely at the material the hon. Member had in his hand.

I think the hon. Member probably realizes, as I am sure all other hon. Members of the House do, that the jurisdiction over these matters is divided between the federal and provincial governments. While it is this Parliament which has enacted the Criminal Code and the section with regard to obscene literature to which the hon. Member has referred, it is the function and jurisdiction of the provincial authorities and more particularly the local police authorities to take the action that may be indicated by any particular occurrence.

In direct answer to the hon. Member's question I must therefore say that the federal Department of Justice will not be taking action, except perhaps to pass on a copy of this very interesting debate to the police authorities of the City of Toronto so that they may carry on an investigation and decide whether or not a charge should be laid under section 150.

EXPO '67—REQUEST FOR CONSIDERATION OF EXPENDITURES BY HOUSE COMMITTEE

Mr. Robert C. Coates (Cumberland): Mr. Speaker, I am not at all satisfied with the answer of the Acting Prime Minister with regard to the financial participation of the federal Government in Expo '67. The Canadian people were informed by the Progressive Conservative Government that they would be committed to a grant of $20 million. We are now informed that this figure has spiralled to $64 million as at the end of this fiscal year and there appears to be every indication that the federal involvement will go well beyond $100 million before it is completed.

Furthermore, there is an estimated deficit of $60 million to be faced after the fair has run its course of which the federal Government's share will be 50 per cent or $30 million. If the deficit is to balloon out of all proportion, as the estimate of the cost of building the plant has, by some 70 per cent, surely the taxpayers of this nation have the right to know that the money which has already been committed and will continue to be committed by this Government is being spent in a proper manner. I believe the Canadian people also have a right to know how many of their tax dollars will be spent on this extravaganza before another day passes. There is only one way for the Government to provide the kind of assurance the Canadian people have a right to expect in this matter, and that is through an all party committee of the House of Commons which can act as a watchdog over the expenditures and make certain the nation does not end up with the biggest unexplained white elephant in our 100 year history.

It is my understanding the C.B.C. has involved itself in a multi-million dollar expenditure without the calling of tenders to determine the best price, or the luxury of even considering alternative bids from companies other than the one they chose to do their work. Surely this cannot be allowed to continue if we are to accept our responsibilities to the taxpayers of this nation. At the same time, this Government accomplishes nothing, in my view, by trying to give the

impression that questions should not be asked about this financial colossus, because it is associated with our 100th anniversary and is located in the Province of Quebec. We can look forward to being too poor to attend the World Fair in 1967 if this Las Vegas spirit of the present administration is allowed to continue unchecked. A parliamentary committee is the only protection the Canadian taxpayer has to the multi-million dollar blank cheque we apparently have written.

Mr. Jean-Luc Pepin (Parliamentary Secretary to Minister of Trade and Commerce): I am glad to hear, Mr. Speaker, that the hon. Member for Cumberland (Mr. Coates) is satisfied with the answer he got to his question No. 397. I understand, however, he is not pleased with the amounts mentioned in that answer. His annoyance may be due in part to his belief that a fixed amount of money had been assigned to Expo by the previous Government. He mentioned that. This is not so, Mr. Speaker. The Minister in charge of Expo at the time said that the necessary amounts of money would be voted by parliament. At the time of the Conservative administration, it was not possible to tell how much Expo would cost.

The first administration of Expo '67 had no idea how much it was going to cost because the necessary inquiries had not been made. It is quite wrong, in my view, to say that a fixed sum of $20 million had been assigned as the cost of Expo '67. The hon. Member for Cumberland asked, I understand, that a special committee be appointed to examine into this question. There is the Standing Committee on Finance, Trade and Economic Affairs, and my Minister is eager to present his estimates to that committee. The officers of the Canadian Corporation for the 1967 World Exhibition are very eager to come and answer all questions. When will that be done? I have a feeling that the Members of the House would not be willing to start on this job now, but I am quite sure they will be quite eager to do so in the fall.

Motion agreed to and the House adjourned at 10.50 p.m.

HOUSE OF COMMONS

Wednesday, June 23, 1965

The House met at 2.30 p.m.

THE ROYAL ASSENT

Mr. Deputy Speaker: I have the honour to inform the House that a communication has been received as follows:

Government House, Ottawa
23rd June, 1965

Sir:

I have the honour to inform you that the Honourable Robert Taschereau, P.C., Chief Justice of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 23rd June, 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,
A. G. Cherrier
Assistant Secretary to the Governor General

HOUSE OF COMMONS

DISCOVERY DAY, NEWFOUNDLAND—ST. JOHN THE BAPTIST DAY, QUEBEC

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, I should like to note that today is the anniversary of the discovery of Newfoundland by Giovanni Caboto in 1497. While Newfoundland was not then a part of Canada, all of us are very happy in the knowledge that this important anniversary will mean so much to the people of Newfoundland as it certainly does to all the people from one end of Canada to the other. We congratulate in a special way our colleagues in this House from Newfoundland.

[*Translation*]

As hon. members already know, proceedings of the house will be suspended tomorrow in order that they may celebrate properly St. John the Baptist Day, the national holiday of French speaking Canadians.

On behalf of the government and, I am sure, of every member of this house, I want to extend our best wishes to all French speaking Canadians.

There is no need to recall the unique contribution made by the French element of this country to the planning and development of our institutions. It is also with the greatest interest that we have observed, these last few years, the new upsurge, the new vitality of our French speaking compatriots. I have no doubt that in the years to come they will continue to leave their mark on the life of this country. This will only be possible if the mutual understanding and goodwill that made Canada a country in a class by itself continue to prevail.

I wish, therefore, that this 24th of June will not only be a day of celebration for a group that is proud of its traditions and customs, but an occasion for all Canadians to show those brotherly feelings and common interests which are the basis of our national unity.

[*English*]

Hon. Michael Starr (Ontario): Mr. Speaker, today is truly an auspicious day, as the Acting Prime Minister has mentioned. We wish to join with him in extending our congratulations and best wishes to the Members from Newfoundland. I can only say that Giovanni Caboto in the year 1497 was indeed lucky that he did not run into the hon. Member for Bonavista-Twillingate.

Speaking seriously for a moment, today is also an auspicious occasion in this House since I understand both the Acting Prime Minister and the Minister of Transport are celebrating their birthdays. We also extend to them our heartiest congratulations from this side of the House.

I join, Mr. Speaker, with the Acting Prime Minister in extending to our colleagues of the French language and to all French speaking Canadians our congratulations and best wishes on a day commemorating the existence and survival of their language and culture in America. It is a day significant for all French speaking Canadians, but equally significant for all Canadians.

Without the presence of French Canada there would be no Confederation and no Canada today. Confederation accorded constitutional recognition to the cultural and language rights of French Canada. In producing a new charter for Canada's second 100 years those rights must be recognized and emphasized. I believe, and the Conservative Party believes, in a Canada free, independent

and sovereign. The maintenance of that freedom, independence and sovereignty is based on the fundamental association of the Confederation partnership. I do not believe a strong and united Canada can be based on the principle of separation, whether modified, qualified or rendered in legislation. You cannot build unity on separation.

The challenge of our time lies in the adjustment of our national structure so as to provide full and complete participation by all Canadians in the partnership of Confederation. The celebration of St. John the Baptist Day should therefore be regarded as an occasion in which all Canadians can take pride, commemorating as it does the continuing contribution of French Canada within Confederation.

[*Translation*]

To all French Canadians on the occasion of St. John the Baptist Day, best wishes, greetings and heartiest congratulations.

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, on the occasion of St. John the Baptist Day we want to express our best wishes to our French speaking members and fellow citizens throughout Canada.

This feast day is further evidence of the deep desire to see the French language and culture survive in Canada.

May I take this opportunity to remind all French Canadians that equal respect should be shown toward the feast days that various groups like to celebrate, such as St. John the Baptist Day and the Queen's birthday.

[*English*]

We are also happy about the exploits of Giovanni Caboto, and extend our best wishes to the two ministers on their birthday.

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, I would like to join with the various groups in their words about the anniversary of the discovery of Newfoundland and the birthday of two ministers of the crown. I think we must also emphasize the work of the premier of Newfoundland who was instrumental in this province becoming part of Canada. I think we should wish a long life to *Josephus Minuslignus*, the premier of Newfoundland at this time.

On the occasion of the French Canadian feast day, I do not believe it would be appropriate for a French speaking Canadian to boast about his nation. On the other hand, I do want to point out that French Canadians have always shown great loyalty and a good deal of civic spirit when they discovered the country and maintained in the province of Quebec the French language and culture in Canada.

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I take this opportunity to offer my best wishes to the two ministers who are to-day celebrating their birthday. They were born under the same star, on the same day, have followed the same path and are still doing so. I trust these two gentlemen, who have won the esteem of all the members, will for a long time to come make available their long experience to those of us who are younger than they here in Parliament for I am convinced all have already benefited from their advice and friendship in the past. We are therefore happy to wish them the best, and we trust they will remain with us for a long time still, because we intend to stay here for a long while.

We also wish to take this opportunity to extend our very best wishes to the citizens of Newfoundland who are to-day celebrating an important anniversary.

It is tomorrow, June 24, that French Canadians will celebrate the feast day of their patron saint, St. John the Baptist. Parliament will take a holiday on the occasion of this feast day, that is, all members of the house, whether they come from Newfoundland or British Columbia, the Prairies, the Maritimes or Ontario.

We are happy to see the French fact in Canada being officially acknowledged by everyone in every Canadian province. We are happy to see that for the first time this year, this feast day will be celebrated by a holiday in the Canadian parliament. This will indicate the official recognition of the French fact and we are very glad about it.

I should like to take this opportunity to extend, on behalf of our leader, the hon. member for Villeneuve (Mr. Caouette), and of the members of our group, our best wishes to all our French-Canadian fellow-countrymen on the occasion of this feast day.

As everybody knows, a rather tremendous development is taking place in French Canada and we hope it will go on in a quiet and peaceful atmosphere. We are convinced that even though this national holiday is celebrated in peace and quiet, this development will go on much longer and further for the benefit of all French Canadians in the country.

[*English*]

Mr. Martin (Essex East): May I have the indulgence of the House to acknowledge

briefly the words addressed by the hon. Member for Ontario and other leaders to the rediscoverer of Newfoundland, Giovanni Pickersgill, and myself. I thank them for the warm congratulations they have extended, and wish to say on behalf of my colleague and myself how very much we appreciate these expressions of good wishes on a day which means so much to us both.

AIR TRANSPORT

TABLING OF STATEMENT RESPECTING DIRECT SERVICE TO GUADELOUPE

Hon. J. W. Pickersgill (Minister of Transport): I should like to table for the information of hon. Members a statement I have issued today regarding an agreement with France to permit the establishment of a direct air service between Canada and the Island of Guadeloupe in the West Indies. Perhaps, since we are recalling history today, some hon. Members may recollect that the French gave Canada to the British because Guadeloupe was at that time considered to be more valuable.

Some hon. Members: Oh, oh.

[*Translation*]

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, I wish the Minister of Transport (Mr. Pickersgill) had given us a French copy of his statement. However, since he gave us only an English copy, I will make my comments in English.

[*English*]

I should like to thank the Minister for his courtesy in providing us with his statement in English, while reminding him that in similar circumstances in the future we would appreciate having such statements in both French and English.

We would have expected the Minister, having been in Paris for a few days, would have taken advantage of his knowledge of the French language by issuing statements in both French and English on his arrival here. We hope his visit will prove beneficial not only to himself but to all manufacturers in Canada and in French Canada, and will lead to greater opportunities for both French and other citizens of the City of Montreal.

Mr. Pickersgill: Mr. Speaker, I should just like to point out that as a courtesy I sent to the leader of the party opposite a copy of the statement in the language he habitually uses. I apologize for not having sent a copy in French, though I tabled copies, of course, in both languages.

Some hon. Members: Hear, hear.

Mr. Deputy Speaker: Perhaps this will complete the debate on that aspect of the motion.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, about this motion, I would like to point out that we received from the Minister of Transport (Mr. Pickersgill) a copy in very good French and we wish to thank him for it.

We are happy to see that the Minister of Transport has bound us even more closely to the French government. As a matter of fact, commercial transactions will be made with the French government and an agreement has been reached with France to enable Air Canada to serve the Guadeloupe-Montreal line.

I think that announcement will be welcomed by all, because whoever visits Guadeloupe finds it a wonderful country. It is possible that France preferred Guadeloupe to Canada but, at that time, there was a man called Voltaire who claimed that New France was only a few acres of snow. I am quite sure that the French have long been sorry for that decision. In any event, Canada has developed; it is now a large nation, but all the same Guadeloupe is a delightful place where it is nice to go on holidays.

We are happy to see that an airline service between Canada and the island of Guadeloupe will make it possible for all of us to go and visit this enchanting country.

Mr. Ricard: Mr. Speaker, I should like to call the attention of the house to the fact that we have just witnessed another patent proof of the marriage between the Liberal party and the Ralliement Creditiste, since—

Mr. Deputy Speaker: Order.

Mr. Ricard: —since the Conservative party which forms the official opposition in the house was also entitled to—

Mr. Deputy Speaker: Order. The hon. member for Saint-Hyacinthe-Bagot may or may not have a justified complaint against the government but I do not think his question of privilege is well taken.

Mr. Grégoire: Mr. Speaker, I should like to raise a question of privilege which stems from the fact that our intent and decisions have been questioned, in particular by the party sitting on your left, namely the Progressive Conservative party.

I merely acknowledged the courtesy of the government when French and English copies of the statement were sent to us, but I was not trying to support the ideas of the government.

Mr. Deputy Speaker: Order.

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

Mr. Deputy Speaker: Is the hon. member rising on a new question of privilege?

Mr. Ricard: Yes, Mr. Speaker. I want to say that as a member of the official opposition in the house I am entitled to the same courtesy on the part of the government, that is to receive French and English copies of the statement made before the house. The government has not shown us that courtesy and that is why I take this opportunity to prove to the house once again that the rights of the official opposition have been violated.

[*English*]

Mr. Pickersgill: Mr. Speaker, I am just wondering whether it might be convenient, since there has been some comment about this matter, for all Members if the House would agree to having the statement made an appendix to today's *Hansard*—

Some hon. Members: No.

Mr. Pickersgill: —in both languages, so we would know what we had been discussing.

Mr. Deputy Speaker: Order.

ADMINISTRATION OF JUSTICE

TABLING OF PAMPHLET RESPECTING CAPITAL PUNISHMENT

[*Translation*]

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I should like to table an information pamphlet entitled in French "La peine capitale—Documentation sur son sujet et sa valeur" and in English "Capital Punishment—Material Relating to Its Purpose and Value". This document was prepared by the Department of Justice under my direction. As I had indicated to the house, I forwarded a draft copy of this document before it was printed to a member of each of the five parties. I was pleased to note that each of those members stated that the information contained in this document had been found objective and non-partisan.

I wish to thank all parties for their co-operation in that respect and I hope that the information made available today to hon. members and senators will help them to form a considered opinion on the various aspects of this disturbing matter, the death penalty, which will be reflected in a truly free vote.

[*English*]

INDIAN CLAIMS COMMISSION

HOUSE OF COMMONS MEMBERS OF JOINT COMMITTEE

Mr. J. E. Walker (York Centre) moved:

That the joint committee of the Senate and the House of Commons, established Tuesday, June 22, 1965, to consider Bill C-123, an act to provide for the disposition of Indian claims, be composed in so far as the House of Commons is concerned, of the following Members: Messrs. Brewin, Basford, Blouin, Brown, Godin, Gundlock, Howard, Mrs. Konantz, Laprise, Legault, Patterson, Rhéaume, Stefanson and Watson (Châteauguay-Huntingdon-Laprairie).

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I think there must be a slight error. We should be glad to have two Members on that committee but I think we are only entitled to one, and our appointee is the hon. Member for Skeena (Mr. Howard). The name of the hon. Member for Greenwood (Mr. Brewin) appears on that list. He would be glad to serve. He might not be an Indian, but he could be a chief.

Mr. Walker: Mr. Speaker, if the House is prepared to let the names stand as they are, a substitution will be made later if there is an error.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

IMPROVEMENT OF C.B.C. SERVICES, QUEBEC

Question No. 174—**Mr. Laprise:**

Does the government intend to increase funds for expansion of Canadian Broadcasting Corporation services, so that the Chapais-Chibougamau and Clova-Parent areas will be adequately served?

Hon. Maurice Lamontagne (Secretary of State): There are already included in the current budget of the Canadian Broadcasting Corporation capital sums for the extension of C.B.C. facilities in various areas of the country. Further consideration to this program will only be made by the Government when it has received and studied the report of the committee on broadcasting.

WALSH ADVERTISING COMPANY

Question No. 233—**Mr. Aiken:**

1. On what date was Walsh Advertising Company Limited awarded the Canadian Army recruiting account?
2. Did Army recruiting officers have authority to charge advertisement to this company?
3. What other government accounts have been awarded to Walsh Advertising Company Limited since April 22, 1963 and on what dates?
4. What was the value of each account awarded by the government to this company since April 22, 1963?
5. What precautions were taken by the government to see that the accounts for advertisements published on behalf of the Government of Canada were paid?
6. Has the government held back any funds to protect the public against bankruptcy of this company?
7. With what officers of the company did the government deal in these matters?

Hon. Maurice Lamontagne (Secretary of State): 1. The R.C.A.F. recruiting advertising account was awarded to the Walsh Advertising Company Ltd. on 2 July 1963.

2. R.C.A.F. recruiting unit personnel were authorized to request specific recruiting advertising services of a local supplier on an R.C.A.F. approved agency order form. The agency issued a confirmation order to the supplier and were responsible for paying suppliers' invoices.

3. None.

4. 1963/64, $161,300; 1964/65, $157,000.

5. Complaints received by the R.C.A.F. with regard to any delay in payment by the agency to suppliers are referred to the agency with a request that prompt payment be made.

6. No.

7. Primarily with Mr. R. Madden although on occasion, other executive, creative and accounting personnel were involved.

*C.B.C. COLOUR TELEVISION AT EXPO '67

Question No. 395—**Mr. Mather:**

In planning the C.B.C. facilities at EXPO, what is being considered respecting colour television?

Mr. J. B. Stewart (Parliamentary Secretary to Secretary of State): Mr. Speaker, I am informed by the Canadian Broadcasting Corporation that it is planned to equip the television studios of the broadcast studio at Expo '67 and the mobile units for colour television.

AUTO FERRY SERVICE, PORT HOOD, N.S.—P.E.I.

Question No. 449—**Mr. Macquarrie:**

1. Have representations been received from the Eastern Kings Board of Trade of Souris, P.E.I. in reference to studying the feasibility of establishing an auto ferry service between Port Hood, N.S. and a port in Eastern Prince Edward Island?
2. From what other bodies have similar representations been received?
3. What is the nature of the reply given?
4. Is the Atlantic Development Board, or is any branch or department of the Dominion Government, undertaking such a feasibility study?
5. If not, is such a study contemplated?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): 1. Yes.

2. A joint submission by the Port Hood Development Council and the Mabou Development Council.

3. It was pointed out that the Department was already heavily committed in expenditures for additional ferries between Cape Breton and Newfoundland and was building a new ferry for the Prince Edward Island service. Under these circumstances, it was difficult to entertain the possibility of making further immediate commitments for ferry services in this area.

4. No.

5. This question of a study is under consideration.

AUTO FERRY SERVICE, P.E.I.-WESTERN CAPE BRETON ISLAND

Question No. 450—**Mr. Muir (Cape Breton North and Victoria):**

1. Has the government, or any member of the government, received a communication from the Port Hood Development Council and the Mabou Development Council in reference to the establishment of an automobile ferry service between Prince Edward Island and western Cape Breton Island?
2. Is it the intention of the government to give support to the expressions contained in this communication?
3. Is the government prepared to work in conjunction with the governments of Nova Scotia and Prince Edward Island in the making of the necessary survey which is essential to the establishment of the aforementioned automobile ferry service?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): 1. Yes.

2. The question of a study is under consideration.

3. The Provincial Governments would be consulted in the event of a survey being undertaken.

CANADIAN NATIONAL RAILWAYS—LOURDES, N.S. STATION FACILITIES

Question No. 582—**Mr. MacEwan:**

1. Is it the intention of the Canadian National Railways to construct new station facilities in the Lourdes area between New Glasgow, N.S. and Stellarton, N.S., during the year 1965-66?
2. If so, when will tenders be called?

Questions

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): The Management of Canadian National Railways advise as follows:

1. No.
2. N/A.

*PORTS OF HALIFAX AND SAINT JOHN—LOSS OF TRAFFIC

Question No. 586—**Mr. Bell:**

Has the government any program or plan to compensate the ports of Halifax and Saint John for the loss of 200 thousand tons of traffic annually due to winter navigation on the St. Lawrence River, as stated in the Annual Report of the Maritimes Transportation Commission last week?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I have the following information from the Atlantic Development Board in answer to this question.

The Board received a report last year from a firm of private consultants in which it was estimated that improved winter navigation on the St. Lawrence River was leading to a loss of roughly 200 thousand tons of traffic annually to the ports of Saint John and Halifax.

As part of its general program to improve the economic conditions of the two ports, the government has initiated a series of studies and has undertaken a number of substantive measures. Thus, the Atlantic Development Board has studies in progress on the possibilities of increasing grain shipments, on the feasibility of establishing a container shipping service; and on the desirability of establishing an industrial park or parks in the Halifax-Dartmouth metropolitan area. The National Harbours Board has commissioned a series of studies on the origin and destination of traffic through the ports of Halifax and Saint John. Concretely, the Federal Government is aiding in the construction of the Saint John harbour bridge and the National Harbours Board is building a new marine leg for the more efficient handling of grain at Halifax.

RESIGNATIONS FROM CENTENNIAL COMMISSION

Question No. 639—**Mr. Webb:** (Supplementary)

1. Among personnel earning $5,000 per annum or more in the Centennial Commission (a) how many resignations have been received since January, 1965, (b) how many have been accepted, and (c) how many have not been accepted?

2. What are the names and reasons for resigning given by all Centennial Commission employees referred to in part 1?

3. Are Sam Cormier, Les Maiden, William McDonald, C. F. Prevey and Robert Hume employed by the Centennial Commission, giving in each case the salary received, the position occupied and, if required, the date and reason for resignation?

4. What position does R. L. Elliott occupy with the Centennial Commission, giving salary, brief description of duties, date of commencing employment, and previous experience relevant to employment with the Commission?

Hon. Maurice Lamontagne (Secretary of State): 1. (a) Three; (b) three; (c) none.

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2. Name	Reason given
A. J. Cormier	To accept the position of chief of the liaison division in the Canadian Citizenship Branch of the Department of Citizenship and Immigration.
Robert M. Hume	The fact that the Centennial Commission visual arts program was assuming a considerably smaller role than was previously hoped is one determined by the Commission with careful consideration. The participation of the Commission would henceforth be minor, and the responsibility for programming, something less than could be justified under the duties of an administrative officer 8.
J. Séguin	To accept a higher position (administrative officer 6) in the Department of Northern Affairs and National Resources, to be reinstated in the Civil Service and to obtain a more diverse experience.

Questions

3. Name	Salary	Position and Reason for Resignation
Sam Cormier—resigned April 22, 1965	$15,300	Chief Cultural Division—see reason given in answer to 2.
Les Maiden—yes	$13,800	Project Officer, Confederation trains and Caravan.
William McDonald—resigned December 14, 1964	$14,050	Chief Ceremonials Division—The position had been accepted because there were certain areas of planning envisaged for which he believed his past training and personal interest rendered him particularly useful. The situation has been changed with the result that the work for which he was responsible no longer required the specific background of knowledge which he possesses. The future program of work forecast for the Chief of the Ceremonials Division did not include those elements upon which he wished to base his final working years.
C. F. Prevey—yes	$15,300	Financial adviser and Director of Administration.
Robert Hume—resigned March 31, 1965	$12,300	Visual Arts Officer—see reason given in answer to 2.

4. Director, Planning Branch, at a salary of $20,150. His duties: To assess and evaluate centennial proposals; to plan a co-ordinated program of national projects; to implement approved projects. He commenced employment June 24, 1963. His application for the position indicated (a) 11 years service in the following departments of the Federal Government: Secretary of State, Reconstruction and Supply, Resources and Development, Public Works.

(b) Experience over 4½ years as executive director, Royal Architectural Institute of Canada.

(c) Three years as a member of the Board of Directors, Canadian Centenary Council and chairman of the Council's program research committee.

AIR CANADA—NASSAU-TORONTO SERVICE

Question No. 648—**Mr. Nugent:**

1. On Air Canada flights between Nassau and Toronto, are economy passengers required to pay for beer brewed in Canada at 35 cents in Canadian funds, but if paid in U.S.A. currency at 25 cents and, if so, for what reason?

2. Are similar differentials in prices followed on other routes flown by Air Canada?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): The Management of Air Canada advise as follows:—

1. No. Economy passengers are charged 30 cents Canadian or 25 cents U.S. for beer on flights between Nassau and Toronto. All minimum charges, including the price of tickets and other services, agreed to under International Air Transport Association traffic conference resolutions are based on U.S. currency.

All carriers are required to relate the prices charged in the currency of collection, to not less than the U.S. currency equivalent. Air Canada converts this minimum to the U.S. dollar equivalent rounded to the next higher 5 cents to eliminate the necessity of making change in coppers. The origin of the product sold has no bearing on adherence to this regulation.

2. Yes, if international, and flown under IATA Conference resolution agreement.

SOCIAL SECURITY CARD

Question No. 650—**Mr. McIntosh:**

1. Is the Social Security Card, now in use, about to be replaced by one which will remove the Coat of Arms and substitute the Maple Leaf?

2. If so, is this being done because of objections to the Canadian Coat of Arms being on the present card and if not, why is the change being made?

3. To produce the new plates are special machines being imported from the United States of America and, if so, at what cost?

Hon. A. J. MacEachen (Minister of Labour): 1. Yes. The card has been redesigned with a maple leaf superimposed by the word

"Canada" in place of the federal coat of arms.

2. No. The change is being made in order to provide a national symbol equally appropriate for programs under either Federal or Provincial jurisdiction.

3. Yes. Machines required for embossing the new plastic social insurance number cards are not available in Canada. They are therefore being imported from the United States on a rental basis. The cost on this basis is estimated at $15,686 per month for six months and $9,479 for a further six months.

NORTH SYDNEY, N.S.—RAILWAY TRACKS ON WHARF

Question No. 660—**Mr. Muir (Cape Breton North and Victoria):**

Is it the intention of the government to instal railway tracks on the new public wharf at North Sydney, N.S.?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): The possibility of bringing a track to this wharf is being investigated.

CLAYTON STRATTON—CONNECTION WITH ASSAULTS

Question No. 672—**Mr. Howard:**

1. Since January 1, 1959 did one Clayton Stratton (Statton) enter Canada and, if so, for each such entry what was the date thereof and the length of time that the said gentleman remained in Canada?

2. Was he ever barred from entry to Canada and, if so, what are the details surrounding this?

3. Has he ever been required to post or have posted a bond before he was permitted to enter Canada and, if so, what are the details of this?

4. What was the date upon which one Richard Greaves was allegedly beaten or assaulted, which beating resulted in charges being laid against one Harold Chamberlain Banks?

5. Did the R.C.M. Police conduct an inquiry into the said beating or assault and, if so, in the course of that inquiry did the R.C.M. Police discover the whereabouts of the said Clayton Stratton (Statton) at the time of the beating or assault and where was the said Mr. Stratton (Statton) at that time?

Hon. Maurice Lamontagne (Secretary of State): I am informed by the Department of Citizenship and Immigration, and by the Royal Canadian Mounted Police as follows:

1. There is no record in the Department of Citizenship and Immigration of one Clayton Stratton (Statton) having entered Canada since January 1, 1959. However, this Department's records show that Clayton Thomas Stratton was admitted to Canada as a landed immigrant from the United States at Vancouver Airport on March 25, 1957.

[Mr. MacEachen.]

2. The records of the Department of Citizenship and Immigration contain no indication that this man was ever barred from entry to Canada.

3. There is no record in the Department of Citizenship and Immigration of this man having been required to post a bond.

4. January 30th, 1960.

5. Yes. Yes, Brownsville, Texas.

PROFESSIONAL PERSONNEL LEAVING ARMED SERVICES

Question No. 679—**Mr. Rapp:**

How many (a) professional (b) other skilled personnel, have left the armed services by request or resignation, month by month, in the last two years?

Hon. Léo Cadieux (Associate Minister of National Defence): In the figures listed below, "professionals" include officers holding medical, dental, engineering, architectural, law, divinity and pharmacist degrees. Skilled workers are group 4 tradesmen or group 3 tradesmen in those trades in which group 3 is the highest.

Month and Year	Professionals	Skilled
May 1963	6	112
June 1963	11	103
July 1963	9	124
Aug. 1963	4	157
Sept. 1963	6	119
Oct. 1963	2	114
Nov. 1963	2	98
Dec. 1963	4	113
Jan. 1964	5	132
Feb. 1964	2	115
March 1964	3	109
Apr. 1964	1	118
May 1964	5	165
June 1964	8	151
July 1964	5	144
Aug. 1964	6	146
Sept. 1964	17	193
Oct. 1964	8	151
Nov. 1964	3	186
Dec. 1964	6	144
Jan. 1965	4	195
Feb. 1965	4	148
March 1965	6	169
Apr. 1965	5	125

*R.C.M.P. COMMISSIONER McCLELLAN

Question No. 695—**Mr. Fisher:**

1. On what date did R.C.M.P. Commissioner G. McClellan join the force?

2. On what dates was he promoted through the various classes of constable, to corporal to sergeant, to inspector?

3. At each of these stages, in what aspect of the force's work did he serve and at what locations?

Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice): Mr. Speaker, the answers to this three part question are as follows:

1. August 15, 1932.

2. Promoted to 2nd Class Constable, February 15, 1933; 1st Class Constable, February 15, 1934; Corporal, November 1, 1938; Sergeant, January 1, 1939; Sub-Inspector, February 1, 1939; Inspector, February 1, 1941.

3. While 2nd Class Constable: General police and criminal investigation duties at Westlock, Alberta.

While 1st Class Constable: General police and criminal investigation—Westlock, Edson, Red Deer, St. Paul, Sylvan Lake, Edmonton, all in Alberta. At Halifax, Meteghan River, Liverpool and again in Halifax, Nova Scotia.

While Corporal: Criminal Investigation Branch—Halifax, Nova Scotia.

While Sergeant: Criminal investigation and security investigation, Halifax and throughout Nova Scotia.

While Sub-Inspector: Training Instructor, Regina, Saskatchewan. Officer in charge security and intelligence, Vancouver, B.C. Officer in charge wartime security and intelligence for western Ontario stationed at Toronto, Ontario.

While Inspector: Officer in charge security and intelligence duties for western Ontario, stationed at Toronto. Officer in charge Criminal Investigation Branch and 2nd in command "O" Division, Toronto, Ontario. Officer Commanding Saskatoon Sub-Division, Saskatoon, Saskatchewan. Director, Special Branch (security and intelligence) for the force, Headquarters, Ottawa, Ontario.

R.C.M.P. RECRUITS TAKEN IN AT RANK OF SERGEANT

Question No. 697—**Mr. Fisher:**

1. In the past ten years, has the R.C.M.P. taken on any officers at the rank of sergeant or above?

2. If so, who are they and what were their qualifications?

Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice): 1. No.

2. Answered by No. 1.

SECURITY FOR WORLD FAIR ADVANCES

Question No. 717—**Mr. Smith:**

1. Has, or does, the government propose to take any security on the physical assets of the Canadian Corporation for the 1967 World Exhibition for the advances, estimated at $105,000,000 which the Corporation is to borrow from the government for the purpose of building and operating Expo '67 at Montreal?

2. Has there been, since the original so-called master plan was made, any revision in the estimate of cost and revenues of Expo '67 and, if so, what are these estimates?

Hon. Mitchell Sharp (Minister of Trade and Commerce): The Government has not made any advances to the Corporation and has not taken any security on the physical assets of the Corporation.

2. The estimates of cost and revenues have been under constant review since December 1963 when the master plan for the Exhibition was submitted to and approved by the three governments. At this date, the revenues are estimated at $184,276,000 and the expenditures are estimated at $244,092,000. The net cost to the three governments sponsoring Expo '67 is placed at $59,816,000. Individual costs are thus estimated at $29,908,000 for the Federal Government, $22,431,000 for the Government of the Province of Quebec and $7,477,000 for the City of Montreal.

RESEARCH INTO WELFARE MANPOWER RESOURCES

Question No. 720—**Mr. Enns:**

1. Has a research project been undertaken by the Department of National Health and Welfare, in the current fiscal year, to determine how welfare manpower resources can be more effectively classified and used in the field of social welfare?

2. If so, when is the report expected to be completed?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): 1. In 1952 the Department of National Health and Welfare carried out a survey to determine the distribution of welfare manpower resources across Canada and estimates of current and future needs of welfare agencies for welfare workers. In 1963 the commission on education and personnel of the Canadian Welfare Council made strong representations to have the Department conduct another such survey. Early in 1964, after an additional person was added to the staff, the Department agreed to undertake another survey.

2. In 1964-65 the methodology for the survey was developed and the plan for analysing the data to be collected was completed. A series of questionnaires was devised and these were pretested with selected agencies. It was intended that the actual survey would be carried out in the fall of 1965. Most arrangements have already been made, although the participation of certain agencies has not yet been worked out. However, the project has had to be postponed since the research officer

primarily responsible for the project has left the Department. It may be revived when staff resources permit.

*HIRING OF LAW STUDENTS FOR STATUTE REVISION

Question No. 730—**Mr. Woolliams:**

1. Is the Department of Justice, on the recommendation of the Minister of Justice, intending to hire law students to investigate the Combines Investigation Act, or any other federal statute?
2. If so, what are the names of these law students, what will their salary be, and what are their qualifications in years of standing at the university?

Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice): Mr. Speaker, the answer to the first part of the question is no. In each of the past several years, however, the Combines Branch has employed a small number of students from a representative group of Canadian universities as set out in the report of the Director of Investigation and Research, Combines Investigation Act, for the year ended March 31, 1964 at page 68.

In view of the answer to the first part of the question, the second part is not applicable.

PROSECUTIONS FOR ATTEMPTED SUICIDE

Question No. 738—**Mr. Fairweather:**

1. During the past 20 years how many prosecutions for attempted suicide have been instituted under the provisions of Section 213 of the Criminal Code?
2. How many convictions were obtained?
3. What was the average sentence imposed?

Hon. Mitchell Sharp (Minister of Trade and Commerce): 1. Information requested is not available.

2. Prior to the revision of the Criminal Code in 1955, attempts to commit suicide were an indictable offence only. With the 1955 revision, attempts to commit suicide were changed to an offence punishable on summary conviction only.

	No. of Convictions Attempted Suicide
October 1, 1942 to March 31, 1955	1,320
April 1, 1955 to December 31, 1962	1,595

3. Information requested is not available.

TAX EXEMPTION, B.C. FREE ENTERPRISE EDUCATION ASSOCIATION

Question No. 745—**Mr. Orlikow:**

Has the British Columbia Free Enterprise Education Association applied for tax exemption for contributions made to that organization and, if so (a) what reasons were given for this application (b) was the application granted?

[Miss LaMarsh.]

Hon. E. J. Benson (Minister of National Revenue): (a) and (b) The Taxation Division of the Department of National Revenue has no record of any application from the British Columbia Free Enterprise Education Association to be recognized as a charitable organization for income tax purposes.

PERSONNEL CLASSIFICATIONS, POINT EDWARD NAVAL BASE

Question No. 747—**Mr. MacInnis:**

1. Are shipwrights, carpenters and carpenter-joiners classified under the same trade at the Point Edward Naval Base?
2. If so, on what date was reclassification carried out?
3. Did Base Standing Orders show such reclassification and, if so, when?
4. Does classification remain a factor in allocating personnel to positions at the Point Edward Naval Base?
5. Are shipwrights, carpenters and carpenter-joiners classified under the same trade on defence establishments throughout Canada?

Hon. Léo Cadieux (Associate Minister of National Defence). 1. Yes.

2. April 1, 1959.
3. No.
4. Yes.
5. No.

DISALLOWANCE OF EXPENDITURES BY EXHIBITION CORPORATION

Question No. 749—**Mr. Southam:**

With reference to expenditures by the Canadian World Exhibition Corporation, have there been instances when the Minister of Trade and Commerce has reduced or disallowed proposed expenditures and, if so, what was the date and the amount of money involved in each case of any such reduction or disallowance?

Hon. Mitchell Sharp (Minister of Trade and Commerce): The Corporation can only make expenditures within its budget as approved by the Treasury Boards of Canada and Quebec and in accordance with the master plan as approved and amended from time to time by the governor in council and the lieutenant governor in council of the Province of Quebec.

In the preparation of the budget and the master plan every effort is made both by the Corporation and the responsible governments to achieve economy consistent with a successful exhibition.

It has been necessary for many projects as originally conceived to be changed from time to time to fit the budget and for some of them to be eliminated entirely. Such changes are made by the Corporation either before or

after discussion with the responsible governments.

Various proposals for expenditure have had to be curtailed or eliminated after discussion with the Minister of Trade and Commerce, but under the administrative procedure that is followed it has not been necessary for the Minister to disallow expenditures or to direct the Corporation to reduce its expenditures.

FEDERAL EXPENDITURES ON ROADS TO RESOURCES, ATLANTIC PROVINCES

Question No. 753—**Mr. Dubé:**

What were the amounts spent by the federal government on the Roads-to-Resources Program for each of the four Atlantic Provinces in the fiscal years ending March 31, 1960, 1961, 1962, 1963, 1964 and 1965?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources):

Federal funds spent Fiscal year ending	Newfoundland	P.E.I.	Nova Scotia	New Brunswick
March 31, 1960	$332,712.93	$1,127,191.38	$1,970,638.00	$ 884,846.09
March 31, 1961	797,598.38	1,465,609.74	1,064,184.68	784,142.46
March 31, 1962	799,595.28	954,285.64	1,765,177.32	1,210,174.49
March 31, 1963	723,670.34	903,847.94	900,000.00	870,836.35
March 31, 1964	750,000.00	1,000,000.00	900,000.00	750,000.00
March 31, 1965	750,000.00	515,140.51	460,920.46	750,000.00

*JOINT SECRETARY, B AND B COMMISSION

Question No. 770—**Mr. Ricard:**

Is the Montreal lawyer, Paul Lacoste, still joint secretary to the Laurendeau-Dunton Commission and, if so, are his services retained on a part-time or a full-time basis?

Mr. J. B. Stewart (Parliamentary Secretary to Secretary of State): Mr. Speaker, I have been informed by the Royal Commission on Biculturalism and Bilingualism as follows:

Yes; Mr. Paul Lacoste, a lawyer, of Montreal, is still co-secretary of the Laurendeau-Dunton Commission, working on a part time basis.

QUESTIONS PASSED AS ORDERS FOR RETURNS

VALUE OF NATIONAL DEFENCE CONTRACTS

Question No. 157—**Mr. Mather:**

What was the amount, in dollars, of Department of National Defence contracts let, by provinces, in 1960, 1961, 1962, 1963, and 1964?

PRINTING AND DISTRIBUTION OF FEDERAL STATUTES

Question No. 570—**Mr. Matheson:**

1. How many copies of federal statutes are printed and distributed (a) in English, and (b) in French?
2. What has been the cost to Treasury of printing (a) revised statutes, and (b) the annual statutes in English and French?
3. Is the government examining the article of John D. Honsberger appearing in the Canadian Bar Review of May, 1965, on the subject of bilingualism in Canadian statutes?

Return tabled.

• (3:10 p.m.)

AGRICULTURE

DROUGHT CONDITIONS IN OTTAWA VALLEY—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Mr. G. H. Doucett (Lanark): Mr. Speaker, I ask leave to move the adjournment of the House in accordance with Standing Order No. 26 in order to discuss a matter of urgent public importance, namely the distressing situation that has developed in large parts of Quebec and Ontario due to the worst drought in living memory, the resulting great drop in farm production, the forced selling of livestock due to lack of fodder which will seriously depress the entire Canadian livestock market, the extremely grave effect on farm income, and the failure of the Government to take any initiative to determine an immediate course of action to deal with this critical emergency.

Mr. Deputy Speaker: Is the hon. Member going to address the Chair on the question of urgency of debate?

Mr. Doucett: Yes, Mr. Speaker. I am sure that by this time many Members of the House of Commons realize the serious situation that exists throughout the Ottawa valley affecting the eastern part of Ontario and the western part of Quebec. Some counties are more seriously affected by the drought than others, but one fact that comes to our minds is that within the last few days farmers have found it necessary to dump a lot of

unfinished cattle on the market, with the result that the sales barns in this area have been operating into the early hours of the morning in order to dispose of them at very depressed prices. In four adjacent counties in the Ottawa valley there are 258,600 head of cattle, and the farmers find that their fodder is becoming exhausted and they have to do something in a hurry.

The effect on the cattle population is not the only serious aspect. In the Ottawa valley area and the western part of the Province of Quebec there are some of the finest farmers in Canada. They have spent a lifetime, as their fathers did before them, in building up foundation stock, and now they find they are going to have to market stock which it will take them a lifetime to replace. We also find that the production of fruit and vegetables in this area has been reduced to a trickle, resulting in increased costs to the consumer and leaving the producers with very little income.

I think this matter is very urgent, Mr. Speaker, and that we should take immediate steps to see if we can do something to relieve the situation and help the farmers of this area to lay plans for the future. In today's paper I note that the farmers of this area who have suffered from drought for the last two years have found it necessary to purchase large amounts of fodder and to borrow from banks, which is an added burden on top of the mortgage payments that some of them have to make. According to the press they are asking that a freeze be placed on their mortgage payments so they can re-establish themselves.

I ask, Mr. Speaker, that this matter be given serious consideration.

Hon. G. J. McIlraith (President of the Privy Council): Mr. Speaker, dealing with the question of urgency of debate of this important matter arising out of the severe losses being incurred in the counties of Renfrew, Lanark, Pontiac and the adjacent territory, I would point out that there will be full opportunity to discuss this subject when we come to interim supply. I hope we will reach interim supply later today or on Friday. There will be a request then for a part of the estimates of the Department of Agriculture.

In any event, I have no wish to deny in any way the seriousness of the situation. I had occasion to see it at first hand over the last week end, and undoubtedly it is of a very serious nature. But what we are concerned with at the moment is whether we should set aside all of the business of the House at this time in order to debate this question. I respectfully submit that we should follow the regular procedure and debate it when the opportunity arises to discuss agriculture either later today or on Friday.

Mr. Lambert: Nonsense.

Mr. McIlraith: I know the hon. Member for Edmonton West thinks it is nonsense, but I submit the matter can be discussed on the agricultural estimates either later today or on Friday.

An hon. Member: What about the address to the Queen?

Mr. McIlraith: As hon. Members know, assistance in this kind of disaster situation is usually given at the request of a province. Hon. Members will know that there was a request from Ontario for one measure of assistance which has been granted, but I believe I am correct in saying that no request has been made by the Government of the Province of Quebec with regard to this matter.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to support the adjournment motion, and make a few remarks on the question of urgency. It is well known that in the Ottawa valley there has been a lack of moisture not only this year but last year, and that the situation is now critical. The fact that it is raining this afternoon means very little, because it will take a great deal of rain to overcome the drought of the last two years.

The Provincial Government has asked the Federal Government for assistance, and I hope the Federal Government will accept this motion today on the basis of doing something about the situation immediately. We have had some indication from Quebec Members in recent weeks with regard to the situation in the Lake St. John area, where rainmakers produced rain steadily for 67 days. If rain is to come in time to help crops in the Ottawa valley this year, 10 days is too long to wait for this operation to start. It should be started tomorrow. The Government can provide this kind of assistance today, and should not wait for any other request from the Province of Ontario.

I am not completely convinced that this rainmaking operation works, but the situation in the Ottawa valley is so desperate that I think it should be tried. It is also very desperate in Timiskaming. While the farmers there were able to produce a great deal of

hay in the last two years and supply a large amount to the farmers of the Ottawa valley, there will be no supply of hay available from that source this year. Many farmers in my constituency are going to have to sell their cattle and consider completely changing their way of life.

I think this matter is important enough to warrant the adjournment of the regular business of the House so the Government can take appropriate action this afternoon to help alleviate the desperate situation facing all farmers throughout the Ottawa valley.

• (3:20 p.m.)

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, we in this party recognize the critical nature of the drought that has been prevailing for the last several weeks in the Ottawa valley and adjacent territory. We believe this matter is important enough to set aside all other business and take some action to give assistance. However, the problem arises, Mr. Speaker, of what kind of assistance you are going to attempt to give. What would such a debate achieve? I draw Your Honour's attention to citation 100 of Beauchesne, paragraph 1, which says the adjournment must be for a purpose involving the administrative responsibility of the Government.

Now, unless we are going to change the pattern of providing assistance to farmers and others who are caught in disasters of this kind, we would have to wait on the initiative of the Province to set up some kind of emergency assistance program. The Province in turn would ask the Federal Government to pay a portion of the cost. This has always been done in the past. I recall in 1961, for example, when there was a widespread drought covering the three prairie provinces, assistance was given by the Federal Government. However, the program in each of the Provinces was initiated and administered by the local Provincial Government. The Federal Government was asked to pay a portion of the cost.

Then, Mr. Speaker, I should like to draw your attention to citation 100, paragraph 5, which says the adjournment of the House cannot be moved with reference to critical conditions prevailing generally in certain parts of the country. If we should rely on that rule, of course, the motion would be ruled completely out of order. After having seen a large portion of this area, I prefer to think the situation is sufficiently critical and important enough to occupy a day of debate in this House. Then the question comes up, what can we do?

An hon. Member: Let us find out.

Mr. Olson: An hon. Member says "Let us find out". The fact is that at this stage the situation does not involve any administrative responsibility of the Federal Government. If the Province had set up some kind of program and requested the co-operation or assistance of the Federal Government, and the Federal Government came to Parliament asking for funds to participate in the assistance program, then we would have something positive to debate. Unfortunately that is not the case at this moment.

Then citation 100, paragraph 3, defines "urgency" to some extent. It says that urgency within this rule applied under Standing Order 26 means urgency of debate. This, Mr. Speaker, is the aspect to which we have to confine our thinking. What are we going to do with the debate? We could have a general discussion. We could, perhaps, suggest many things the Federal Government could do if it moved into this area of providing this assistance. However, that has not been the practice in the past. Until the Governments of both Provinces come to the Federal Government asking for some assistance, it seems to me it would be rather difficult to formulate the kind of action that could properly be adopted.

Mr. W. H. Jorgenson (Provencher): I should like to speak to the matter of urgency in reply to some of the statements that have been made by the President of the Privy Council and the hon. Member for Medicine Hat on the question of what can be done. We in western Canada well remember the serious drought that threatened that part of the country in 1961. Contrary to what the hon. Member for Medicine Hat has said, the initiative was taken by the Federal Minister of Agriculture at that time. On his initiative the various Provincial Ministers of Agriculture were called together to discuss a program of emergency action to be taken. There is no need at all to circumvent the constitution or to deny the right of the Provinces to take the initiative. All we are suggesting in this House is that the Federal Government take the initiative—

Mr. Olson: May I ask a question?

Mr. Jorgenson: —as was done in the past, in discussing a program of action to meet this situation. If nothing else, the debate in this House may produce a Minister of Agriculture.

An hon. Member: Where is the Minister?

Mr. Jorgenson: It is quite obvious from the questions that have been asked in this House during the last few days that there is no plan of action; there is no program intended on the part of this Government.

An hon. Member: There is no Minister.

Mr. Jorgenson: There is a great need for the farmers to have the assurance that a program is available to them if the worst comes to the worst. During the drought year of 1961 a good part of the program developed was never needed, never put into effect, because the situation was alleviated by rainfalls later in the summer. However, there was a program ready to be put into effect if it had been needed. I suggest that this Government can take action, can take the initiative in cooperating with the Provinces in developing a program to meet this critical situation.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, we have before us today a motion to adjourn the business of the House to discuss the emergency caused by drought conditions in eastern Ontario and western Quebec.

When it is a question of helping farmers, I think it behooves the House to take the necessary steps to solve their problems.

In our area of Saguenay-Lake St. John, as in the Abitibi area, the problem is altogether different. We have too much rain; here, there is not enough.

If we adjourn the business of the House, will this afternoon's discussion be useful? We must first determine whether it is a definite matter of urgent public importance and, second, whether the discussion can be useful.

Is there any urgency? Of course, there is. Since the first part of this session is to end today or Friday. But the President of the Privy Council (Mr. McIlraith) replies that we shall have full opportunity to discuss this matter during interim supply which may be called later today or on Friday. Now, I say to the President of the Privy Council that there are already several subjects he suggested we could take up during interim supply. There is the address submitted to the Queen of England by the province of Quebec, the Dorion report itself and the related leaks. Thus, there are several subjects to be discussed on interim supply, which means that there will be very little time left to discuss the serious problem of farmers who suffer from drought. That would seem to confirm the urgency of a debate.

Now, the emergency of such a debate was proved a while ago. Moreover, another important aspect that needs consideration is that this would enable us to see the Minister of Agriculture (Mr. Hays) in the house. Indeed, we have the Minister of Forestry (Mr. Sauvé) but not the Minister of Agriculture. If we could only succeed in bringing him to the house, it would be a tremendous help.

Now, what would be the usefulness of such a debate? That question was raised a while ago. It is obvious that requests on this matter must come from provincial governments and that the federal government takes appropriate action afterwards. This was not done but, on the other hand, the federal government has acted accordingly in other fields. The federal government could make decisions of its own as to the steps to be taken. For instance, here in the Ottawa valley, there were complaints about the lack of rain while, in our region, there were complaints for a long period about too much rain. The federal government, through the Minister of Transport (Mr. Pickersgill), took quite drastic steps so that, after many discussions concerning rainmaking machines, they were taken out of the Saguenay-Lake St. John district which has now enjoyed ten days of fine weather.

Now, that matter could be discussed here and we could suggest to the Minister of Transport to use his influence to have those rainmaking machines brought to Ottawa as fast as possible. The federal government could pass such a measure in order to end the drought and thus the misfortune of some people could bring happiness to others.

For all those reasons, I think it would be useful to discuss the situation. I believe it is an urgent problem and it is urgent to discuss it because we are now in the dying days of this first part of the session. I think you should authorize such a debate. It would give us an opportunity to discuss the situation of farmers who are now facing that serious problem in several regions. It would be useful for the whole country or, at least, for the farming community.

• (3:30 p.m.)

[*English*]

Mr. J. J. Greene (Renfrew South): Mr. Speaker, first of all may I say this situation is sufficiently serious that I trust the House will not let it go by the board on the question of semantics or the reading of fine type as to whether or not we should have a debate. The

important thing is that these farmers find themselves in a critical condition.

I spent most of yesterday with the provincial Minister of Agriculture—

Mr. Nielsen: Where is your Minister?

Mr. Greene: This is properly a matter for provincial initiative. The provincial Minister of Agriculture saw fit to look into this problem yesterday, and thought it sufficiently important and critical that he has made an announcement stating that in spite of the very hazardous nature of the proceedings he deems it worth while to take a 20 to 1 chance and bring in rainmaking equipment at an expenditure of $200,000. If the province is willing to spend $200,000 on a 20 to 1 shot, surely this indicates the critical nature of the situation.

There has been only .42 inches of rain this past month, and it is the most serious drought in 75 years. The provincial Minister of Agriculture agreed that the county of Renfrew was the worst hit in the Province of Ontario, and if this is not serious then I do not know what is, so far as it affects my people, my county and my province.

Mr. Deputy Speaker: Order. I regret to interrupt the hon. Member, and I see other Members want to take part in the debate, but perhaps they will have an opportunity to do so in a few minutes.

The Chair has listened with great interest to the motion proposed by the hon. Member for Lanark (Mr. Doucett). There is no doubt whatever that he has raised a matter of serious and immediate importance. It is a matter of great urgency, and I suggest to hon. Members that there is also urgency of debate.

The President of the Privy Council (Mr. McIlraith) had, I believe, a very serious argument when he suggested that there will be an opportunity to discuss this matter in a short while and said that perhaps later this afternoon, or on Friday, or at the start of next week there will be interim supply. But as has been pointed out, rightly, by the hon. Member for Lapointe (Mr. Grégoire), there are a number of subjects already assigned for debate during interim supply, and in view of the extreme urgency of the matter raised by the hon. Member for Lanark the Chair proposes to submit the motion to the House.

Some hon. Members: Hear, hear.

Mr. Deputy Speaker: The hon. Member for Lanark (Mr. Doucett), seconded by the hon. Member for Nicolet-Yamaska (Mr. Vincent) asks leave—

—to move the adjournment of this House in accordance with Standing Order 26, in order to discuss a matter of urgent public importance, namely, the distressing situation that has developed in large parts of Quebec and Ontario due to the worst drought in living memory, the resulting great drop in farm production, the forced selling of livestock due to lack of fodder which will seriously depress the entire Canadian livestock market, the extremely grave effect on farm income, and the failure of the Government to take any initiative to determine an immediate course of action to deal with this critical emergency.

The hon. Member for Lanark, seconded by the hon. Member for Nicolet-Yamaska moves:

That this House do now adjourn.

Mr. G. H. Doucett (Lanark): Mr. Speaker, I wish to thank you for this opportunity. As already pointed out, this condition is one of the most serious that has occurred in this community during the last three quarters of a century.

The rainfall during the past crop season has been less than needed. There are grave circumstances facing the farmers. The area affected covers a great many different types of farmers. In Renfrew county it is mostly cattle raising and dairy farming and the dairy industry has certainly suffered.

One farmer told me yesterday that he was about to put in a milk cooler, but in view of present conditions he wondered if it would be necessary for him to instal it. Many of the farmers with dairy cattle in this area have already fed them what surplus feed was left from last year, and now find their pastures are becoming totally depleted. As I mentioned just a few minutes ago, at the time of the 1961 census the cattle population in the four counties adjacent to the Ottawa River totalled some 260,000 to 270,000. Many of them are dairy cattle. Many farmers have young stock coming along and, due to the shortage of pasture fodder, something will have to be done to alleviate their plight.

Farmers are taking unfinished feeders to the sales barns, which are overloaded, and according to one newspaper I notice that at Cobden and in Perth last week they continued selling cattle until the early hours of the morning.

Finished cattle at the present time are selling in the neighbourhood of 25 cents a pound. Considering the farmers' machinery costs and their capital investment, the return is not too much. According to reports, some of the cattle that have been dumped on the market because of lack of feed have been

sold at ridiculously low prices, some even as low as 13 cents or 14 cents a pound.

• (3:40 p.m.)

It is hardly necessary to point out that in such circumstances a farmer would certainly find himself in a drastic financial condition. It takes a number of years to lay the foundation for a herd. Cattle which he purchased two years ago most probably cost more than he can get for them at present, and this creates a drastic situation. During the last few years many young farmers have bought farms at reasonable prices and equipped them with stock and machinery. In 1963 and again in 1964 they found it necessary to buy feed for their stock. They had to borrow from the banks, and now they find themselves in a desperate situation, obliged to dispose of their stock at prices far below their value. Their output of dairy products is extremely limited; they are finding it necessary to buy meal, and cannot see their way clear to repay their loans to the bank, plus the interest on those loans. Yet if they fail they face the loss of their mortgages.

I do not think I need emphasize to you, Mr. Speaker, the great plight which the agricultural community is facing. Of course we hope to get rain immediately. That would help to bring on a second crop. It would help the grain. But whether we do or not, a degree of damage has already been done which cannot be repaired. Every one of these farmers will find himself in a difficult financial position this fall; he will find himself obliged to make severe readjustments in order to remain solvent.

This is why I have brought the present motion before the House. I want to see what can be done to establish confidence among these people, who laid the foundation for this great country of ours. I want to let them know that their representatives throughout Canada are thinking of them and are willing to give every assistance so as to tide them over this distressing situation. I believe others will wish to speak on this subject. This is a situation which I am sure we all regret. It is one which can be solved by co-operation and by putting our shoulders to the wheel.

Mr. J. J. Greene (Renfrew South): Ottawa Valley members on both sides of the House have for some weeks been drawing this situation to the attention of the House. As time went by the problem facing our farmers became more critical.

It is true, as was stated by the President of the Privy Council (Mr. McIlraith), that according to strict constitutional procedure we have to await provincial initiative either from Ontario or from Quebec, which is also affected, before federal action can be undertaken in the normal course. But I do not think that because this has been the practice in the past a pattern need be set for the future. Some hon. Members may agree that in the past two, three or five years there has possibly been too great a tendency to await provincial action in circumstances such as these. From my own limited knowledge of constitutional law it seems that if anything is of sufficient moment to affect the national well-being there is constitutional authority for independent government action at the federal level whether or not it is a provincial matter in its original aspect.

This drought, I suggest, is of such consequence that it will affect the national well-being. It will affect food prices. Already there are cries of complaint from consumers. Food prices affect the nation as a whole and this being the case I suggest, with respect, that we at Federal level should consider action in this regard.

The Federal Department of Agriculture is convinced that the rain making program is a very long shot. I think today's newspapers say it is a 20 to 1 shot. The provincial Department of Agriculture considers the situation so grave that it is willing to spend $200,000 on a 20 to 1 shot. I know the Dominion Meteorologist doubts the validity of claims for rain making equipment. Well, I believe the hon. Member for Lapointe (Mr. Grégoire) and some of his colleagues have been complaining that rain making equipment is only too effective. If there is any chance whatever, be it 20 to 1 or a 100 to 1, I hope the federal Department of Agriculture will see its way clear to participate in the rain making venture, in view of the severity of drought conditions in the Ottawa Valley.

This is one facet of the help we can give at federal level to farmers in their desperate plight at the present time. It is not merely a case of a drought this year only, nor is it a case of drought both this year and last year, as the hon. Member for Timiskaming (Mr. Peters) suggested. As far as the farmers of Renfrew County and the Ottawa Valley generally are concerned, this is the fourth year in which they have suffered severe loss through drought.

It seems to me we could take action at the federal level in connection with matters which are properly within the federal ambit, and that such action would be of considerable

help to the farmers in their present need. First, we could bring in moratorium legislation with respect to Farm Credit Corporation mortgages, and farm loans of all types, in any way supported by the federal Government. This would have application to loans under the machinery syndicates legislation, Central Mortgage and Housing Corporation loans, and so on. This general area is within the federal ambit of jurisdiction. There should be a moratorium with respect to principal and interest on mortgages pending the alleviation of drought conditions.

Banking and interest are within the ambit of the federal authority. Most of the farmers affected have had to borrow heavily from the banks in order to carry on last year and this year. It is our duty to see to it that our farmers are not strangled out of existence, and we can help do this by relieving them of interest payments and payments on debts. I am sure that in conjunction with the chartered banks we can make some arrangement whereby farmers will not be squeezed out of existence because this year they will not be able to pay interest on bank loans or make repayments of principal.

• (3:50 p.m.)

I also wish to point one other thing. I have suggested that the Federal Government should take the initiative as this is a national crisis. I have suggested that they should participate with the Province of Ontario in the rain making program, which quite properly was initiated by the province; that was the proper venue in which a measure such as this should be initiated. I have suggested that we should gladly, willingly and eagerly participate in this program irrespective of the technical opinion of the Dominion Meteorologist, because if there is any chance it is a chance worth taking. As I pointed out, there has been .42 of an inch of rain in the past month and this is the worse drought in 75 years. Last night some of us had the opportunity to meet with the members of the Farmers Union, who brought these critical difficulties very forcibly to our attention. In particular, Mr. Powers, the Vice President of the Union, pointed out the difficult situation in the Valley, as he comes from Beachburg in the Ottawa Valley, and I think he made a suggestion which it is my responsibility to draw as forcibly as I can to the attention of the House for the solution of this matter. As he pointed out, with which views I agree wholeheartedly, even if our rain making program is successful at this time—which I hope we will participate in—and even if we do take these very proper measures to alleviate the farmer from the pressure of his current debts, as I suggested earlier, there is one further program that is most necessary and that we should initiate here.

As evidence of the situation that the hon. Member for Temiskaming (Mr. Peters) referred to earlier, namely the fact that last year there was a drought of catastrophic proportions in this area, we co-operated with the provincial Department of Agriculture of Ontario and instituted emergency measures by way of freight assistance in transporting cattle to market and by way of subsidy on hay imported into this area. This year there is no point in speaking of a subsidy with respect to the importation of hay, because the drought is so critical in other parts of the Province of Ontario—and I may say that this is not a unique area; in the great State of New York this year they are suffering a drought which I think is as critical and as serious as ours. Generally there just is no hay. Therefore a program of subsidizing the importation of hay into this area just is not feasible, but forage is very badly needed. As has been earlier pointed out, the farmer is in the position right now of having to sell at sacrifice prices cattle that should be sold much later, because he fears that even though he may be able to feed them right today, there will be no feed this fall with which to winter his cattle. Hay is not available. I am not a technical man but I certainly feel for the farmers in their desperate plight as sincerely and as deeply as I could if I had the necessary technical knowledge. There may be a good many solutions that are perfect and absolute here, but I know that with the technical abilities we have in the Department of Agriculture we can suggest a system of subsidized forage whereby we will be able to get the forage into this area on a basis of help and subsidy if need be. It cannot be hay; it must be some other type of forage, as hay is not available.

I think this is a desperate and dark hour in the lives of these people, most of whom have lived in this area of eastern Ontario for many generations. I do not think these are people who come running to Government every time something gets a little tough. I do not think they come to us on their knees, and they never will, because these are proud people. But I do suggest that if we have any function here whatsoever it surely is to see to it that we use every

measure and every available facet of governmental action that is available to us in order to alleviate this desperate situation of the farmers of eastern Ontario.

Some hon. Members: Hear, hear.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I think the House should be appreciative of the fact that the hon. Member for Lanark (Mr. Doucett) brought forward this motion so that this matter could be discussed. Before discussing it I would like to point out something that I think should be apparent to everyone. There is no Minister of Agriculture here. His Parliamentary Secretary is not here. That man who acts as the eastern representative of agriculture and makes so many silly statements, the Minister of Forestry is not here. The Acting Prime Minister is not here. The man that has been left to make this decision is a man who has aspirations for the Ontario leadership of the party and who appears to be given the leadership in this field. I think this is a disgrace.

I think there are solutions to this problem. I was aware that it happened two years ago. The hon. Member representing the riding of Renfrew says it has been a factor for four years. Therefore the federal Department of Agriculture must have known that there was going to be a serious problem and these people should be here this afternoon to accept or reject some of the suggestions made by the Members. If this is not done, I am prepared to move an adjournment motion, because this discussion will serve no purpose at all. I think the farmers in the Renfrew area have the right to expect the federal Government to give some leadership to them, but there is in this House no one who can accept suggestions made by Members. I don't know what the country will think about it, but I am sure they are going to ask, "Is the Minister of Agriculture out selling the cattle that have been forced on to the market in the last few days, causing a surplus of cattle?" But the Minister is not here and is not responsible enough to have somebody here speaking for his department.

I think there is a federal responsibility in this matter and some Minister is going to have to get up and indicate what they are going to do about it. No wonder the Government wanted to oppose this motion this afternoon; they have no intention of even listening to us. The farmers deserve a better deal than that, because these farmers are faced with a serious plight. We will go on and discuss the problem, although it is not going to do a damned bit of good, because there is nobody here to listen and this Government is not interested.

I look at the Renfrew *Advance*. They have pointed out a number of times in recent days how serious is this problem, and in the last issue of June 10 the headline is, "Drought ... Conditions worst in 25 years". This article goes on to say:

> Area farmers are facing the worst drought to hit the Ottawa Valley in 25 years. Rains predicted for Monday evening turned out to be only scattered showers and many areas did not receive any moisture. Eganville was one area that had more rain than most places but even there the situation remains grave.

The Renfrew *Mercury*, another Ottawa Valley newspaper, headlines the story, "Shortage of rain may cause extensive losses in county". This article goes on to say:

> Renfrew County farmers could be faced with massive crop failures this year if rain does not come within the next few days, it was learned this week.

This has been known for some time. I wonder whether the Member for Renfrew South (Mr. Greene) and the Member for Renfrew North (Mr. Forgie) have not brought this matter to the attention of the Government, and this is why there is not someone here that can get up and say what the federal Government is prepared to do in this situation.

Mr. Greene: On a point of privilege, Mr. Speaker, inasmuch as the hon. Member has seen fit to single out the Member for Renfrew North and myself, may I say—and I think it is my duty to say it—that we have been bringing this matter to the attention of the Minister and the department for the past three weeks at least, and quite properly have been instructed by them that they could take no initiative in this connection until a request came from the Provincial Government; and in spite of urging from this end, the Government of the Province of Ontario, who had the initiative, saw fit to do nothing until yesterday when they suggested bringing in rain making equipment.

Mr. Vincent: What about the Province of Quebec?

Mr. Peters: Mr. Speaker, I will accept the point of privilege made and will withdraw the inference which the hon. Member took out of my remarks, which inference I did not intend. The inference I intended to make is that they have not been able to persuade

the Government to take any action, and that no one here is prepared to take any action.

• (4:00 p.m.)

I note that the Acting Minister of Agriculture for eastern Canada is in the House. Perhaps he is in a position to say what the Federal Government will do. But I am not prepared to accept the remarks of the last speaker, who implied that if the Provincial Government is not willing to do anything, then the Federal Government is not in a position to do anything. That is not correct. We should be in a position to do something.

I do not think the Quebec Government arranged for those rain-makers in the St. Johns area. The Quebec Government had one heck of a time getting rid of them. The Federal Government had the right to continue this experiment by applying to the Government of Ontario to move the rain-makers to the Ottawa Valley, rather than to hire an outside firm from Colorado, not yesterday, as the hon. Member suggested, but three days ago at a cost of $100,000.

It is the responsibility of the Federal Government to take action in fields over which they have jurisdiction. The Federal Government could report to Parliament and ask it to consider the necessary steps. What is the point of our making a plea on behalf of these farmers if the Government Members intend to sit here until five o'clock, at which time the whole matter will drop. I do not think that is a fair attitude to take in relation to the plight of the farmers in this area.

We have also heard the suggestion that loans be made to the farmers in the area. I am not in favour of providing loans to the farmers in the Ottawa Valley, because they are now faced with a situation which, in my opinion, has continued into this year from last year. These farmers have spent all the money they have accumulated over the years as a result of this disastrous situation. These people have had to sell their beef cattle, which usually brings 25 cents a pound on the market, at a sacrifice price of an average of 14 cents a pound. This has also resulted in the loss of their potential breeding stock. These farmers will be in considerable difficulty for a considerable length of time before they build their herds back up to that position they were in before the disaster struck. By giving them loans we are only going to burden them again with payments that they will not be able to make.

We are not asking the Government to give the farmers loans. More drastic steps than that are required to deal with this situation. Many things could be suggested in the way of helping these farmers. A great deal of the hay that was bought by the farmers in the Ottawa Valley last year came from my area, and much of that hay had been stored in barns for four, five and six years. Those supplies have been pretty well depleted. There are many areas in my part of the country which can carry 10,000 or 12,000 head of cattle. We might provide a solution to part of the problem if the Federal Government was prepared to facilitate the moving of the cattle.

The Federal Government now operates a community pasture in the Earlton area, and I am quite sure that the farmers who are not using a great deal of the grazing land in that area would be willing to make reasonable arrangements for the pasturing of a large part of the cattle of this area, provided the Federal Government would assist in moving them in. I do not know whether that would be a good idea or not, but it is a suggestion. Perhaps the agricultural representative in the Renfrew area could get together with the agricultural representative in my area and work out some arrangement. Perhaps some arrangements could be made to allow the farmers of the Ottawa Valley area to go into the area around Earlton to cut hay at a reasonable rate. Much of this hay was not cut last year and would not be cut this year under normal circumstances. I am sure there are several thousand acres of hay which will not be cut this year unless some such arrangements are made.

There are many things this Government could do which would not cost very much money, but if they have no intention of helping the farmers in these disastrous circumstances, then obviously we are wasting our time by continuing this discussion. If the general public in the Ottawa Valley find that this Government is as callous as it appears to be, they will not only look seriously at the grain and hay situation in the Renfrew area, but will look at the cost of fruits and vegetables right here in Ottawa in the Byward market. They will find that strawberries, which are not worth buying, will be selling at 75 cents a basket. They will wonder about this situation, and why the Federal Government did not examine it and do something about it.

This disaster will not only have an effect on the farmers of this area but also on the housewives who buy fruits and vegetables which will not be produced in any quantity this

year. One of the members of the protective staff in this building spoke to me this morning and told me that a friend of his has five acres in strawberries but will not get enough this year to put into his freezer for his own home use, yet last year he found it difficult hiring enough help to pick the strawberries from that same five acres.

We have heard a lot of facetious remarks about rain making in Quebec. There was a group of individuals visiting this House yesterday attempting to make rain of a different kind. I am not prepared to say that one can make rain. I am not prepared to argue that you cannot seed clouds and create a certain amount of precipitation. I am certainly not in a position to tell you whether or not this method works on a grandiose scale and can produce rain for 67 consecutive days, just with a couple of machines in the countryside. On the other hand, I am not prepared to say that we should not investigate this and decide whether it does work.

If this situation continues in the Ottawa Valley, I am sure the ARDA program will have to be used in respect of almost all the farms in the Renfrew area. The wealth of these farmers has never been great enough to allow these farmers to survive two or three successive crop failures. If something is not done in respect of this disaster, these people will be moving off these farms into other areas next year. This is a critical situation and the federal Government has an obligation right now to do whatever it can to relieve the plight of these people, even if it is only through a pseudo-hypothetical means.

The hon. Member for Quebec suggested that no matter what is done about this problem, these farmers are not going to have a June hay crop; but as the hon. Member for Lanark (Mr. Doucett) stated, the farmers may be able to harvest a second crop this fall which will at least help solve the problem.

I do not know whether there is anything more I can add to this discussion. I am very sympathetic to the farmer, but I should like to warn both the farmers and the Members of this House not to consider adopting a system of providing loans to these farmers, because all that will do is bankrupt the farm communities in the Ottawa Valley. I am in complete agreement with what the hon. Member for Renfrew South (Mr. Greene) stated, that there should be some kind of a moratorium in respect of federal loans in the area directly affected by this disaster, and that could include all farm loans, veterans farm loans, farm improvement loans and loans made under all federal Government acts. There should be a one or two year moratorium in respect of the payments. I caution the Members of this House again not to adopt a system of loans to these farmers in this disaster area. These farmers paid 65 cents for a bale of hay in the Renfrew area last year. They cannot be expected to pay that price again this year and repay their loans. They have had to sell their cattle at sacrifice prices, but I believe that is even better than paying 65 cents a bale for hay.

[Mr. Peters.]

• (4:10 p.m.)

The Federal Government should consider now the idea of moving equipment from other parts of Ontario to these grazing areas in order to cut this unused hay. That might be part of the solution to the problem. It might also consider assistance in respect of moving cattle to these areas. The effect of this disaster is not being felt only in the disaster area, but in other parts of the province. These people are selling their cattle at reduced prices and this is displacing the market in other areas. Surely some solution can be found to this problem. But I castigate the Government again for their lack of leadership and their lack of fortitude in looking for something they can do. It is all right for the hon. Member for Medicine Hat (Mr. Olson) to say that the book does not allow us to do this, but with respect to other things we are able to look for some way to get around the book if we want to do so.

We have had a resolution before us in recent days containing 19 allied items. If the Government had stuck in another one providing for the payment of $10 million to the Renfrew farmers because of the crop failure, I am sure everybody would have said that we could not turn it down and there would have been no argument that we could not do it. It all depends on whether we want to do it.

I suggest it is the Government's role to give leadership. I think the Cabinet will find that Members of the Opposition are very sympathetic with regard to the problem faced by the farmers of the Ottawa valley and will give favourable consideration to any reasonable proposition that the Government will put forward. I think the Government should stand up now and make some suggestions that will be advantageous to the farmers of this area.

The Acting Speaker (Mr. Batten): The hon. Member for Medicine Hat.

Mr. Horner (Acadia): On a point of order, Mr. Speaker, the hon. Member for Medicine Hat spoke against the very purpose of this debate when the question was under consideration as to whether or not a debate would serve a useful purpose in bringing about some assistance with regard to the drought conditions in the eastern part of Ontario. Surely we should not waste our time hearing him now when he was not even in favour of the debate. I think we should hear others who are willing and prepared to make some contribution toward helping to alleviate the drought conditions in the eastern counties of Ontario and the western counties of Quebec.

Mr. Jorgenson: Instead of apologizing for the Government.

The Acting Speaker (Mr. Batten): Order. The usual practice in a debate on such a motion is to complete one round so that one representative from each party in the House will be heard. The Chair saw the hon. Member for Medicine Hat. If it is the wish of the House that somebody else should speak, there is a procedure open to Members of the House.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker,—

Mr. Jorgenson: The Government's apologist.

Mr. Olson: —in spite of the obviously ridiculous attempt by the hon. Member for Acadia (Mr. Horner) to raise a point of order, what I said earlier when the Speaker was considering whether the motion to adjourn the House under Standing Order 26 should stand was that it seems to me we should have something positive to debate if we are going to spend the day debating the very serious situation in the Ottawa valley.

Mr. Horner (Acadia): Drought conditions are positive enough.

Mr. Olson: They are positive enough, but I should like to know what kind of action the Government intends to take with respect to this matter. If we are going to proceed in an orderly and proper way, it seems to me there should have been some suggestions from the Government as to what they intend to do.

Mr. Horner (Acadia): The Minister is not even here.

Mr. Olson: In spite of what the hon. Member for Provencher (Mr. Jorgenson) said about the Federal Government initiating action to provide emergency assistance in 1961, I know that in Alberta the provincial Government—

Mr. Horner (Acadia): They dragged their feet.

Mr. Olson: —and the Minister primarily concerned initiated and carried out the entire drought assistance program. That does not take anything away from the federal Government of that day because they acted quite properly in coming along and picking up part of the cost of that program. I certainly do not wish to downgrade the actions of the federal Government of that day.

Over the week end I spent a little time in the Arnprior area of Renfrew County and at points between there and Ottawa, and I know that the drought situation is very serious and calls for emergency action by both levels of government. There is no question about that. For the benefit of the hon. Member for Acadia, prior to the Speaker accepting this motion I said that I thought the situation was important and serious enough that it could quite properly occupy the attention of the House for a day or more. I went on to ask what we would be debating. The hon. Member for Timiskaming (Mr. Peters) wanted to know what action is going to result from the debate we are now having. The hon. Member for Renfrew South (Mr. Greene) says he has been making representations to the federal Government for the last three weeks to try to get them to undertake some action to alleviate the situation. We do not have anything before the House yet, but at the same time the hon. Member says that the drought has been gradually building up over the last four years, that it was critical last year and that it is a complete disaster this year. Anyone who has been there and looked at the conditions agrees with him. Yet we find we have nothing before the House of which we can either approve or disapprove. So there is no program.

I wrote down a number of suggestions and I do not claim they are new. They have been tried in other areas where this kind of emergency has arisen. We need to have extensions, postponements, deferments, or whatever you want to call them, of payments under the Farm Improvement Loans Act, the Farm Credit Corporation, the Veterans Land Act and so on. The hon. Member for Timiskaming mentioned this point. This was done on the

prairies when there was a very serious situation in 1961.

I agree with the hon. Member for Timiskaming that loans are not the solution. We also need to have some kind of program of freight assistance, if there is any fodder available to be brought in, and also feed grain assistance. I know there is plenty of feed grain and there could very well be an accelerated or expanded freight assistance program on feed grain. In addition, I think some arrangement could be worked out between the local municipal governments and the provincial governments to defer land taxes, with the Federal Government giving assistance by way of grants to the municipal governments so they can carry on. These are necessary things and represent the kind of program that will be of some positive help to the people of the area.

In addition, Mr. Speaker, in Alberta the Provincial Government assumed a larger share of the cost for emergency relief required to take care of operating costs, the purchase of fuel, seed and feed and so on for those people who had depleted their cash reserves and to some extent had even depleted their credit. These are the kinds of action the Federal Government should have taken particularly in view of the fact they have known about the situation for weeks and months.

Mr. Greene: Will the hon. Member permit a question?

Mr. Olson: Yes.

Mr. Greene: May I say I concur with the hon. Member most wholeheartedly, but does he suggest that the Federal Government under our constitution can embark on this type of program, affecting essentially provincial matters, without the province first suggesting that this kind of program be invoked?

Mr. Olson: Constitutionally the hon. Member is correct and the practice in the past has been for the provincial governments to initiate such programs. But I think it would be proper for Federal Government officials or the Minister of Agriculture (Mr. Hays) and the Minister of Forestry (Mr. Sauvé) to provoke, shall I say, the provincial governments into taking this kind of action and also to indicate to both Provincial Governments that they can expect full and wholehearted support on the part of the Federal Government in sharing the cost. I think this could be done.

Mr. Macquarrie: Will the hon. Member permit a question?

Mr. Olson: Yes.

[Mr. Olson.]

Mr. Macquarrie: In view of the fact that section 95 of the British North America Act declares agriculture to be a subject of concurrent jurisdiction with, in the case of conflict, the Dominion authority prevailing, and considering that administrative competence stems from legislative responsibility, would he not agree that the Federal authority has every right and propriety to move forward and take the initiative?

• (4:20 p.m.)

Mr. Olson: I know that the Federal Government has equal authority constitutionally with the Provincial Governments with respect to matters dealing with agriculture, but when we start to talk about emergency relief matters more things are involved which cannot be strictly confined to agriculture. In any event, there is nothing wrong with the programs that have been used in the past. If the hon. Member for Renfrew South (Mr. Greene) is sure as a result of his representations and his investigation of this matter during the past few months that he is justified in saying the province has not acted as expeditiously as it ought to have, then I should like to ask him this: Have there been any overtures from the Federal Department of Agriculture to see if they could not work out a program to which provincial and federal governments would agree during the past few months? Was the first indication there was going to be positive action taken by the Provincial Government given within the last two or three days? I think, Mr. Speaker, that these things should be worked out or at least discussed ahead of time. This situation has been continuing now for some time and has reached an emergency point where we need a crash program. This thing did not happen yesterday or even last month; it has been building up for a long time.

In addition to the other suggestions other hon. Members have made and one or two new ones I advanced, I should like to say I would support the suggestion made by the hon. Member for Timiskaming (Mr. Peters) that cattle be moved for grazing purposes if there is grazing within a reasonable distance of the Ottawa Valley. Surely if there is such grazing it should be made available and there should be assistance given toward the cost of transportation. There is some very valuable foundation stock and breeding stock in this valley that needs to be saved. There is no other way of doing it. Either you take them out where there is grazing for them or you haul the fodder in. I suggest, at least for the balance of the summer months, the most

economical way this can be done, both in the interests of the farmer and the public treasury, is to move these cattle to where there is grass. This was done in Alberta in 1961 on a rather small scale. Some of the very valuable animals were moved and it was certainly worth while.

There is no question about the Members of this party supporting any action the federal Government wants to take to provide assistance under an emergency relief measure. We would like to know what the Government is going to do. We would like them to come before this Parliament and ask for some specific amount of money with some specific program to use it. They will certainly get the wholehearted support and cooperation of the Members of this party.

• (4:30 p.m.)

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I cannot let this opportunity go by without saying at least a few words. Like other members, especially the hon. member for Timiskaming (Mr. Peters), I am not annoyed but disgusted with the lack of interest shown by the Minister of Agriculture (Mr. Hays) for the farm problems of eastern Canada. As a matter of fact, he should have been in the house today, to listen to our suggestions and tell us about the decisions the government intends to take concerning this matter.

I see that the Minister of Forestry is back and will probably speak in the name of the Minister of Agriculture.

In my opinion, that is the least the government can offer to us and, at this stage I want to point out to the house that for two years now eastern Canadian farmers, particularly those of Quebec, have been asking for the appointment of a Minister of Agriculture for the east. But when you consider the low value of the present federal Minister of Agriculture and when you see that the Liberal government is not even able to find a good minister for the west, I think it is therefore useless to have another one for eastern Canada.

The Minister of Agriculture being absent from the house, I hope that the Minister of Forestry will take into consideration the recommendations that will be made this afternoon and that he will deal with them.

It was mentioned earlier that, two or three days ago, the Ontario government reached an agreement with some American firms to set up rain making machines, in order to increase precipitation and check the drought now prevailing in this area.

Mr. Speaker, I must say immediately that I do not agree with that decision under the circumstances. In fact, last year, the Abitibi farmers sustained losses on account of those rain-making machines and it seems that when the mechanism of those machines is released, it is quite difficult to stop it. In fact, last autumn, throughout winter and even this spring, we had to fight against those infernal machines which did more harm than good. I know nothing of the experience and ability of the management of this American company but even if their machines can increase precipitation, they could be useful in a certain sector of the economy but harmful in others.

In my opinion, it would be much better to rely on Divine Providence and on nature as created to control the weather and the climate in our area.

It is undeniable, however, that some areas of the lower Ottawa valley are affected by drought, that they have suffered and are still suffering damages. I feel that the government should submit proposals this very day so as to solve this problem, not by offering loans to the farmers affected, but by providing them with grants in proportion to their present losses, because whether it be in the riding of Renfrew, in the Ottawa valley, in Quebec or elsewhere, farming is so uneconomic that the present difficulties resulting from weather conditions will surely cause great losses to the farmers.

Mr. Speaker, I would like to insist on one point. I said a few moments ago that the government should make proposals and take the initiative, if necessary, by inviting the ministers of Ontario and Quebec to meet with its representatives, not to study but to decide what help to give at this time.

Here I would like to recall the problem which arose last fall in the Abitibi, Témiscamingue and Lake Saint John regions which were greatly affected not by drought but by over 67 days of rain in the Lake Saint John area and 69 in Abitibi, with distressing losses. In fact, losses exceeded $2 million in Abitibi only and I have here a newspaper article published in *La Terre de Chez Nous*, on February 24, 1965 which gives the results of a survey made in that connection. I shall read it for the information of the house and so that the Minister of Forestry may acquaint himself with it, in case he should not have already done so.

Here is what we read in *La Terre de Chez Nous* with regard to the inquiry conducted by the U.C.C.:

In order to inform the people as to the damages to farming due to excessive rainfall during the crop year 1964, the Amos federation of the U.C.C. has held a Gallup Poll with 1200 farmers scattered in all the Abitibi parishes. All types of farms have been reached.

The Gallup Poll concerned the main sectors of production, hay, oats, potatoes and dairy products. Even if it does not have a scientific value, it still reveals a situation which leads us to the conclusion that farming has incurred heavy losses in that area and that farmers are deeply affected economically.

The survey reveals total losses of $2 million for the area, or an average of $850 per farm. The hay crop was affected in a proportion of 35 per cent, oats, 40 per cent, and potatoes, 60 per cent. The dairy production decreased by 25 per cent and the purchase of feed cost $50,000 more than during a normal season. To that must be added $100,000 for the purchase of feed and hay for the winter feeding of livestock. It is obvious that farmers do not have the means to take on such losses when we know already they can hardly make both ends meet.

Well, Mr. Speaker, that is what happened last fall in the Abitibi area. A similar and perhaps more serious situation arose in the Lake St. John area.

But on several occasions since last fall members of the areas concerned and myself have requested assistance from the federal government, we have been told that the province should take the initiative.

The Minister of Agriculture of the province of Quebec was kind enough to send me last week some copies of the letters he exchanged with the federal Minister of Agriculture (Mr. Hays). But that correspondence is not complete, much to my regret. That is the reason why I placed a notice of motion for the production of papers today on the order paper of the house so as to complete this information.

I notice that the Minister of Agriculture of the province of Quebec made certain general requests in order to assist some farmers of that province. However, it is to be regretted that those requests contained nothing specific as to the damages resulting from the heavy rain last fall in the Abitibi and Lake St. John area. But the Minister of Agriculture none the less made general requests in connection with the damages due to hail and tornadoes. What was the answer of the federal Minister of Agriculture? He replied that he had indeed received these recommendations, and I quote an excerpt from his answer to Mr. Courcy:

You undoubtedly know my opinion on such problems. I believe that the best way to avoid such disasters is crop insurance.

[Mr. Laprise.]

That, Mr. Speaker, was the reply of the federal Minister of Agriculture to his Quebec counterpart. It meant: "Well, participate in the joint crop insurance program, and we will be able to help you out."

Several years ago other provinces, particularly in western Canada, suffered similar disasters. It does not seem that the federal government was so niggardly in helping them out. But as far as assistance to farmers is concerned, it is much more restricted. I do not know whether this is because the government or the Minister of Agriculture of the province of Quebec are not categorical or energetic enough in their claims, or whether they ask for this assistance rather as a favour, but in any event, that request has been submitted, suggestions have been made and the federal Minister of Agriculture has flatly refused to help the province of Quebec.

Mr. Speaker, I will not speak any longer on this matter, but I do want to urge the government not to consider the situation—everybody is aware of it and I think it has been outlined clearly enough in this house today—but to decide immediately how it will assist the farmers of the Ottawa valley and those who find it difficult to survive in the Abitibi-Témiscamingue area thus avoiding many farm bankruptcies. We must endeavour to enable all those farmers to continue producing what is necessary for everyone's survival, that of the Minister of Agriculture as well as everyone else's, for if the farmers stop producing for one reason or another, we shall all die from starvation.

Mr. Speaker, we do not want to see farmers in difficult situations due to similar catastrophies, whether these stem from natural causes or not. But, at any rate, we must assist them in order to spare them serious difficulties, and to ensure first of all, that they can continue to grow, to expand and to improve their lot, and through a healthy agricultural economy ensure the welfare of the country as a whole.

Mr. Clément Vincent (Nicolet-Yamaska): Mr. Speaker, I wish first of all to thank the hon.—

Mr. Vincent Drouin (Argenteuil-Deux-Montagnes): Mr. Speaker, I wish to ask the hon. member for Nicolet-Yamaska (Mr. Vincent) to relieve me from introducing a motion giving the floor to the Minister of Forestry (Mr. Sauvé). All those who have spoken up to now have asked what the government has to offer. As the minister appointed to reply in the name

of the government is rising, I believe it is urgent and important that he may speak, all the more so since it is already 4.40 and the debate should end at five o'clock. I therefore request the hon. member for Nicolet-Yamaska to kindly yield the floor to the Minister of Forestry. Otherwise, I shall move a motion to that effect.

Mr. Vincent: Mr. Speaker, I must say first of all that I intended to speak for a few minutes only and so allow the minister to tell us what the government intends to do.

[*English*]

Mr. Horner (Acadia): On a point of order, Mr. Speaker, if this subject is to be aired properly, perhaps we should ask unanimous consent of the House to proceed with the debate until six o'clock rather than have it end at five o'clock.

Some hon. Members: Hear, hear.

[*Translation*]

Mr. Drouin: This is a very good suggestion.

Mr. Vincent: In fact, this is what I intended to do. I wanted to ask the house or Your Honour whether it would be possible, at five o'clock, to request the unanimous consent of the house to continue this debate until six o'clock, in view of its great importance for all areas in Canada.

[*English*]

The Acting Speaker (Mr. Batten): Order. I think the proper time to put that motion would be at five o'clock.

Mr. Douglas: Mr. Speaker, would it not be possible to agree now to an order of the House extending the time until six o'clock, so as not to interrupt the debate, so that the Minister would not be interrupted in his speech, and so that the rest of us would be able to examine any proposals he may make?

The Acting Speaker (Mr. Batten): The Chair would be very pleased to ask for unanimous consent at this time if it is the wish of the House.

Some hon. Members: Agreed.

The Acting Speaker (Mr. Batten): Is it agreed that we continue this debate until Royal Assent at 5.45 p.m.?

Some hon. Members: Agreed.

• (4:40 p.m.)

[*Translation*]

Mr. Clément Vincent (Nicolet-Yamaska): Mr. Speaker, first of all I must thank the Deputy Speaker as well as hon. members of this house for allowing today a debate on a subject of extreme urgency and even of national importance.

The hon. member for Lanark (Mr. Doucett), the mover of the motion I had the honour to support, has stated his views remarkably well and has described accurately the distressing situation in which the farmers of eastern Ontario and western Quebec find themselves at this time due to severe drought conditions which began nearly four years ago and which have grown worse in the last two years.

A while ago the hon. member for Renfrew South (Mr. Greene) said that he had approached the government three weeks ago to discuss the problem.

It is surprising to note, that the Minister of Agriculture (Mr. Hays) has been abroad for the past few days and that he is not here this afternoon. Equally disturbing is the fact that only yesterday, when asked in this house by the hon. member for Pontiac-Témiscamingue (Mr. Martineau)—who intended to participate in the discussion this afternoon but who could not be here on account of uncontrollable circumstances—if he could say whether there had been any consultations with the representatives of the province of Quebec on this matter of national urgency, the Minister of Forestry replied:

Not recently, as far as I know.

Then the hon. member for Pontiac-Témiscaminque (Mr. Martineau) raised the question again, asking whether the federal government intended to take action on its own initiative with the provincial governments. And the Minister of Forestry answered:

The government cannot do that. The request must come from the provincial authorities.

That is why we discussed this question yesterday afternoon and decided to ask for the adjournment of the business of the house today to debate the problems facing farmers of eastern Ontario and western Quebec.

We have raised this question because we all recognize its urgency and importance, not only for the farmers who may be forced to give up their farms fairly soon if the federal and provincial governments do not take adequate steps, but also for the whole country, because it will affect all consumers, all farmers, as well as all regions of the country, more particularly the provinces of Ontario and Quebec.

In my opinion, the federal Minister of Agriculture should immediately ask the Ministers of Agriculture of Quebec and Ontario to meet with farm organizations in order to discuss this tragic situation. Indeed, that should have been done several weeks ago.

In my opinion, when a provincial problem takes on a national character, the federal government or the federal minister concerned may ask his provincial counterparts to meet with farm organizations to discuss the situation and take the necessary measures. And that should be done immediately to find solutions and to stop farmers of eastern Ontario and western Quebec from panicking, as seems to be the case now.

It is imperative that, following this meeting which should be held this week, the federal government be in a position to announce immediately an assistance program and thereby, as I said a moment ago, dispel the panic which has apparently spread among farmers.

We have suggestions to make concerning this program of assistance. Some have proposed a moratorium on loans already granted. As for me, I do not believe the solution lies in lending the farmers money to pull them out of a hole or telling them that we are prepared to wait a year or two so they can repay their loans. If, for instance, a farmer has agreed to pay back the Farm Credit Corporation at the rate of $800 a year, and if such a payment is delayed, if the farmer is asked to make it next year or the year after when he is in a position to resume a normal life, when that time comes, he will have to make a double payment to the Farm Credit Corporation.

What we need and what I am asking the government to do, is to consider the possibility of amending the federal farm credit act so that this extension of one or two years, which would be granted to the farmers concerned, be added not after the first year the farmer will have received an income, but at the end of the refunding period of the federal farm credit.

We know that the federal farm credit act allows farmers to borrow money for 29 years and that, in order to change the regulations of the corporation, an amendment to the farm credit act would be needed. The Farm Credit Corporation can say to the farmer: "We are going to grant you a new loan, we will start anew and you will pay all the inspection costs and legal fees. That is what can happen at present. On the other hand, if the government moved an amendment to the farm credit act with respect to disasters, then the Farm Credit Corporation could postpone until after the 29 year period the payments owing to them and which will have to be paid.

The same thing should apply to the farm improvement loans act; payments should be postponed seven or eight years, that is when the farmer is in a position to reimburse.

The government could also help with the interest on money borrowed last year or the year before. We know, for example, that farmers of the Ottawa district and western Quebec have borrowed $3,000 and will not be in a position to reimburse those loans before six years. They pay 6 per cent interest so that after six years, it will cost them 36 per cent more than they received; 36 per cent of the money they received will be paid as interest. It is therefore absolutely impossible for a farmer to make those payments in a time of crisis.

In addition, it was suggested earlier that cattle should be brought to areas where there are pastures. This made sense in western Canada, but I do not think it would be an ideal solution in our area, because if milk cows are transferred to pastures 200, 300 or 400 miles away, farmers would not be willing to travel to those distant places morning and night in order to milk their cows. Therefore I feel it is impossible to provide this form of assistance in the present case.

What the government should do is to tell the farmers under a specific program: We are going to help you, do not worry about hay or fodder for the winter season. The farmers could then change their farms entirely into pasture lands. If some farmers of the area had sown 30, 40 or 50 acres with oats and if they were sure of getting federal or provincial assistance, they would all be in a position to change those acreages into pastures for their cattle, since they would obtain in the fall the required fodder to feed their cattle during the winter.

• (4:50 p.m.)

Therefore, if our farmers in the area could turn whole farms or the acreage already seeded into grazing grounds, if the federal government and the provincial governments gave the guarantee needed for the winter months, we might be able to get to August, with some rain, because the grazing grounds would be better at such a time of the year.

The Minister of Agriculture will have to consider another factor when he meets the provincial ministers. There will certainly be a shortage of hay throughout Ontario and

Quebec next winter. That shortage will be acute enough to give rise to prohibitive prices and I cannot see a farmer buying a small bale of hay for 75c, 80c or even $1.

If the government asked at once the farmers of the Ontario and Quebec areas to cut as fodder everything which can be cut instead of letting oats get ripe, letting it come to term for feed grain, we could then avoid a shortage of hay in the provinces concerned. If later, this winter, the government accepted the Opposition's proposal to set up a feed grain agency for eastern Canada, we could compensate the loss of that grain by purchasing western feed grain which would replace the grain farmers have not been able to produce since they cut their oats and fodder acreage. This means that, in a few weeks, the government could assist the farmers from eastern Ontario and western Quebec who would like to feed their cattle on their farm, by subsidizing transportation and purchases. We know that feed grain can easily be harvested in the first week of August or towards the 15th of August and that it is excellent food for dairy and beef cattle, in short, for the whole livestock of those farmers.

We are making suggestions to the government; we are convinced that the situation has become too serious to ignore suggestions which could assist not only Ontario farmers but Quebec farmers as well.

Here are our suggestions: first, a meeting with provincial ministers concerned and farm organizations in order to establish an assistance program. Second, announce this assistance program as soon as possible to check the growing panic among the farmers concerned and the consumers and to show the farmers that they will get assistance from the federal and provincial governments.

Third, examine the question of federal farm credits or loans which farmers have obtained through banks and consider the possibility of extending after the period of 29 years repayment of loans granted by the Farm Credit Corporation and of extending by five, six or seven years the repayment period concerning loans granted under the farm improvements act.

Fourth, ask farmers in affected areas to use extensively their farm and even every bit of land on their farm as emergency grazing ground.

Fifth, ask Quebec and Ontario farmers to cut all the fodder they can in order to avoid a shortage next winter and use this fodder to help the farmers concerned; and say to Quebec and Ontario farmers: "We will have the necessary feed grain for your livestock next winter, because you will have cut the harvest on your fields seeded for pasture. We will not give the feed to you, but we will sell it at a reasonable price."

Those are a few suggestions which I think should be considered by the governments concerned; I have discussed them with several farmers of the area and they found them sound. They may not settle all problems but they will certainly help the farmers concerned.

Mr. Speaker, I may have taken a little more time than I thought I would, but since the house has agreed to discuss this matter until six o'clock, we will thus have the opportunity of hearing the Minister of Forestry tell us what the government intends to do. As regards this emergency, I should like to say that such a drought could have severe effects in the future. For instance, if the farmers sell their dairy cattle, the market will be congested. Those animals are unfinished, they are not good and are not ready to be sold. The price will be lower than the average and a shortage will thus be created in connection with the quality dairy cattle owned by many Ontario farmers. Next year, they will have to buy a complete stock and, on account of that, prices will be higher. That will not be in the interest of the farmers concerned nor in the interest of the other dairy producers in Canada.

Mr. Speaker, I shall conclude my remarks by asking the government once more to do everything possible, not in 15 days, nor in three weeks, but right now, to settle this situation for the benefit of agriculture in Canada and more particularly in the Ottawa region.

Hon. Maurice Sauvé (Minister of Forestry): Mr. Speaker, it is as Acting Minister of Agriculture that I am taking part to this debate.

I believe it is most obvious that the problem referred to at the beginning of this sitting is extremely serious, since the motion for adjournment of the business of the house was supported by all parties, including government members.

Mr. Speaker, we are aware that this is a serious and urgent problem, and before leaving, the Minister of Agriculture (Mr. Hays) informed me of his concern on this matter. For my part, following the questions that were put to me yesterday afternoon in the house, I got in touch immediately this morning with the authorities of the Department of Agriculture to investigate the situation, and

I shall transmit later on to the house the information obtained.

Mr. Speaker, at this stage I would like to make a comment which seems to me of major importance. On two or three occasions this afternoon, reference was made to the absence of the Minister of Agriculture, when it is well known that he is away on an official mission to France and England where he has been attending a meeting of the OECD in Paris, and where he has met British cheese importers for the greatest benefit of agriculture, I am sure.

I believe, Mr. Speaker, that more indulgence should be shown regarding the absence from the house of the Minister of Agriculture or other ministers who are away on official business for the good of their own departments or of the country as a whole. In fact, I was highly annoyed this afternoon by the remarks of a certain member who noted my absence from the house for about five minutes while I had gone to secure certain documents for this afternoon's debate. I feel the hon. member for Timiskaming (Mr. Peters) could, in due course, admit that once the debate had started I remained in the house and left only to fetch some documents.

The debates, which are often animated, should at least be courteous. In fact, we are not here to indulge in party politics but to defend the interests, among others, this afternoon, of the farmers of eastern Ontario and western Quebec, who are unfortunately the victims of a rather severe drought.

Several members made interesting suggestions this afternoon. Some spoke of a moratorium of some kind or another on federal government loans. I feel it should be possible to announce that we could grant some form of moratorium in the case of farmers who could prove that they are unable to meet their obligations due to the drought or similar conditions.

Mr. Vincent: Will the Minister of Forestry allow me to ask him a question?

Under the present Farm Credit Act, do farmers not get an extension of six months or one year when such a disaster strikes?

Could the minister consider the possibility, as I have suggested, of adding this extension to 29 years?

Mr. Sauvé: With pleasure, Mr. Speaker.

A proposal was then made for a feed program. There was talk of a special aid program for feed grain; suggestions were made to the effect that the federal government should help needy municipalities; there were proposals of help in transporting livestock, of acreage payments. Many other suggestions were made. I shall gladly refer these suggestions to my colleague the Minister of Agriculture (Mr. Hays) who, according to his original schedule, is due to arrive in Ottawa this afternoon.

I should like to comment on acreage payments. It has been said that, in 1962, there were acreage payments following the drought in the prairie provinces. Unless I am mistaken, acreage payments were first initiated in 1958, were made in 1960 and, if my information is correct, the last time they were made was in 1962. It is not clear whether they had been made in 1962 because of the drought or whether it was the continuation of a program initiated in 1958. In any event, Mr. Speaker, I do not want to discuss this problem in particular.

However, everyone is well aware that the initiative in this field of assistance in case of disaster rests with the provincial governments. This was the position taken by the previous government which stated that the responsibility to make a request rests with the provincial governments. I could quote from speeches made by certain members of the previous government in this respect. I shall not do so for it does not seem extremely important to me in the course of this debate. I shall be making a remark shortly which I think will satisfy the members of the house.

The Minister of Agriculture has often spoken here of the importance of crop insurance. Last year, the house passed an act for the reinsurance of provincial crop insurance. It is a pity all the provinces have not yet decided to establish their own crop insurance.

The federal government might consider it necessary to pass legislation on agricultural disaster such as drought and similar disasters. We may some day propose this type of legislation.

Yesterday, the Ontario government announced—

• (5:00 p.m.)

[*English*]

Mr. Peters: Mr. Speaker, may I ask a question? Is the Minister suggesting that the farmers of Ontario can insure grass? I understand it is only seeded acreage that can be insured. We are talking about forage, and that is almost impossible to insure.

Mr. Sauvé: Mr. Speaker, I could not hear the translation, but what I was referring to,

was disaster areas. I think the translator also said something about strawberries. I do not remember talking about "les fraises". I will continue to speak in French because then I am sure of the exact meaning of my words. I have an important statement to make in a few minutes and I want to be sure it is understood. I will make the statement very slowly in French so hon. Members will not get the wrong interpretation of my words. I have had that difficulty very often lately, Mr. Speaker.

[*Translation*]

Yesterday, the Ontario government announced that they had hired rain making companies for the drought-stricken areas. In a telephone conversation, assistance was requested from the federal government. Such request from the provincial government is now under consideration. The Minister of Agriculture (Mr. Hays) has an appointment with the representatives of British Columbia who will come here next week to discuss with him the problems of the early frost which affected certain fruit crops in British Columbia.

As far as I am concerned—and this is the important point that I should like to deal with this afternoon—I am prepared to suggest to the Minister of Agriculture, and I think he will accept, to call together representatives of the provinces of Ontario and Quebec to consider what assistance those two provinces, namely Ontario and Quebec, could give farmers of those drought stricken areas and what financial facilities the federal government could make available to the provinces for immediate and substantial help.

I realize, Mr. Speaker, that there is some delay in the interpretation.

[*English*]

I think this is probably the thing that is most urgently needed. I hope that when my colleague, the Minister of Agriculture (Mr. Hays), returns from Europe today he will be able to take the necessary steps to call together the representatives of Ontario and Quebec to discuss this situation immediately. It is evident that steps must be taken immediately if we wish to help these farmers who are seriously affected by the drought in eastern Ontario and western Quebec.

[*Translation*]

I think, Mr. Speaker, that the debate did draw to the attention of the house and, I hope of the Canadian public, not only the serious problem that is being faced—

[*English*]

Mr. Cowan: Mr. Speaker, will the hon. Member permit a question? I should like to ask the Minister of Forestry whether or not it is a fact that in spite of the deluge of statements of an urgent nature in respect of this matter this afternoon by hon. Members on the other side of this House, the Conservative-controlled legislature of Ontario prorogued last night; and does that not give some kind of an indication as to the urgency of this matter?

• (5:10 p.m.)

Mr. Horner (Acadia): Was the Minister of Agriculture for Ontario in Paris, or was he in Renfrew in the drought area?

Mr. Sauvé: I have noticed in the papers that the Legislative Assembly of Ontario prorogued last night, but I would not want to bring any partisanship into this debate. I think this question is extremely serious.

Mr. Jorgenson: May I ask the Minister a question? He is a member of the Cabinet and would know about these things. Does he think it is necessary for the Parliament of Canada to wait for the legislature of the province to take action on this matter?

Mr. Sauvé: I was just completing my remark that I did not feel there was any necessity to bring partisanship into the debate because the situation is serious.

[*Translation*]

I believe this afternoon's debate will have drawn the attention of the house and of the Canadian people, not only to the serious problem due to drought conditions in certain areas of Ontario and Quebec, but also to the urgency for all provincial governments and the federal government to give greater consideration to the problems of eastern farming.

Eastern agriculture is important, not only for the Canadian economy, but also for a great part of our population which depends on it for its income.

I do not want to resume my seat after this short intervention without thanking the members of the house who, this afternoon, brought forward serious suggestions toward the solution of this problem.

I can give the assurance that my colleague, the Minister of Agriculture, and the government of Canada will take immediately the necessary steps to convene representatives of the provinces of Ontario and Quebec in order that we may examine together what means

could be taken at once to assist the farmers in need as the result of this drought.

[*English*]

Mr. J. H. Horner (Acadia): Mr. Speaker, in rising to take part in this debate may I say I have listened from the beginning and I must say that the Minister of Forestry (Mr. Sauvé) in speaking in the debate made it known first of all that he was a replacement and, second, he dealt at great length and in an apologetic manner with the Government's failure to take action, and the absence of the Minister of Agriculture (Mr. Hays). However, he did suggest that in the light of this debate he was certain he could convince the Minister of Agriculture when he returns to Ottawa to have a meeting with the provincial Ministers of Agriculture concerned to discuss how help can be given by all levels of Government to this drought stricken area. I think we in the Opposition are thankful to the Minister of Forestry for taking it upon himself to try to convince the Minister of Agriculture to look at this matter very carefully and in a serious way.

In my view the farmers of the Ottawa Valley should be very thankful to the conscientious Member for Lanark (Mr. Doucett) who rose this afternoon and convinced you, Mr. Speaker, that this debate was urgent and that the matter should be discussed. Through this debate we have now accomplished something. When the Minister of Agriculture comes back to Ottawa he is going to meet with the provincial Ministers. This is a forward step. We can only hope that he will see fit to grant some assistance.

I should like to make a few remarks about the drought stricken area and the proposed rain making operation. There is no question that the whole Ottawa Valley is devastated by drought. There is no question that the federal Government has failed to provide proper leadership and initiative. In today's Ottawa *Journal* we see that the provincial Government of Ontario is prepared to spend $200,000 to hire rain makers. The province is still waiting for approval of the project by the federal Government, which it hopes will pay part of the cost. In other words, the provincial Government has gone ahead and gambled on a 20 to 1 shot so far as producing rain is concerned, and has gambled on another 20 to 1 shot that the Federal Government may be interested enough to pay half the cost. By this debate I think we have now convinced the Minister of Forestry at least and perhaps some of his colleagues that the Government should show a little interest and concern in this regard and pick up half the cost.

Mr. Francis: Would the hon. Member permit a question?

Mr. Horner (Acadia): Yes.

Mr. Francis: I was listening with interest to the hon. Member's remarks concerning a federal grant, but has the hon. Member any idea of the number of ARDA projects submitted by the Province of Ontario dealing with these counties affected by the drought?

Mr. Peters: Are you suggesting they will solve the problem?

Mr. Horner (Acadia): I am not concerned here about long range projects. We are now in the midst of a drought in the Ottawa valley which will have repercussions all across Canada. I am a firm and ardent supporter of ARDA but it is a long range program. What we are looking for today is immediate assistance to the farmers concerned. As I was saying, the severe drought in eastern Ontario and western Quebec and, in fact, in all of Ontario will have repercussions all across Canada. In yesterday's and today's papers we can read what is happening to the cattle market in eastern Canada. We read reports of farmers keeping their cattle on their trucks as late as two o'clock in the morning at the auction markets at Cobden and Perth in the hope of being able to get them into the hands of somebody who can feed them because these farmers are completely out of grass and feed. If you have ever been a farmer or know anything about farming you will realize the plight of these farmers when they have to keep their cattle on their trucks until two o'clock in the morning, waiting for somebody to buy them who can take them off their hands and feed them. You realize the plight facing these farmers.

What prices did they receive for their cattle? They got as low as 14 cents per pound, while beef on the Toronto market is selling for about 25 cents a pound. This shows the drastically depressed prices at which these farmers are having to sell their cattle in order that the cattle can be fed and looked after. Rather than the Minister of Agriculture being in Paris trying to buy more cattle or improve the strains of Canadian cattle, which is a worthy endeavour, he should be here trying to look after the cattle we already have. He should be here trying to create markets and trying to sustain these farmers who are prepared to sacrifice their basic

herds and their entire livelihood because of drought conditions which have lasted now for three or four years, as has been pointed out this afternoon.

It is all well and good for the Minister to be absent and I certainly do not condemn him for travelling, but he has an uncanny knack of being away at the very time when he is needed here. He is away doing something which may have long range benefits for agriculture, but for some weeks now there has been plenty of evidence of drought conditions about which the farmers were concerned and plenty of evidence that action should be taken and leadership shown.

Leadership is what the farmers want. When they are faced with drought conditions beyond their control they want to be able to look to somebody for help and leadership. The federal Minister of Agriculture should be providing that leadership to these farmers caught in the drastic conditions facing them today rather than spending a nice time, shall we say, in Paris—

Mr. Sauvé: On a point of order, Mr. Speaker, I certainly want to object to the remarks of the hon. Member. I explained what the Minister was doing in Paris, what he did in London for the cheese producers and so on. I would hope the hon. Member would refrain from making remarks implying that the Minister is not doing his duty. Right through the course of my remarks I tried to keep the debate on a very high level, with no partisanship, and I would not like my hon. friend to behave differently.

• (5:20 p.m.)

It seems essential. The situation is serious and we are not trying to benefit politically from a very serious situation in which some Eastern Canadian farmers find themselves. I would not like my colleague to go on saying things about the Minister of Agriculture which I feel are absolutely unfair in the present circumstances.

Mr. Horner (Acadia): This is not a point of order. I do not really know why I relinquished the floor. If I feel the Minister could serve the country better by staying at home at this time, I am within my rights in standing up and saying so. I may say the Minister of Forestry could have spent his time better here in Canada than on the Isle of Capri some time in the past. This has nothing to do with the drought conditions that are now concentrated in this area.

Mr. Deputy Speaker: Order; I would remind the hon. Member that there was a motion submitted to the hon. Member for Lanark (Mr. Doucett) which deals with drought in eastern Canada and the House should deal with that subject.

Mr. Horner (Acadia): I intend to deal with that subject. I will refer to the question of rain making and say that the Provincial Government is prepared to risk $200,000 in a 20 to 1 longshot in the hope that the Federal Government will go along with them. We see pictures of the hon. Member for Renfrew South in a summer suit surveying the drought conditions in his Ottawa Valley. It is all well and good to go out in a white shirt, a summer suit and tie to look at dry soil, but it is another thing to see your crops shrivel. Then, and only then, can you really fully appreciate the drought conditions. I have seen acre after acre of crops wither on the stalk. You know then how the farmer feels in this regard. Pictures in the newspapers do not help. Pictures in the newspapers do not provide leadership. This is what the farmers are asking for.

Let us look at this rain making proposal. What does it say in the *Globe and Mail*? It says that rain makers are to be in Lanark County within the next 10 days and will be set up and ready to operate within the next 20 days. Let us just see where that puts us. We see crops shrivelling on the stalk today. We see that no rainmaking will be in progress for another 20 days. We have reports that the hay crop will be reduced, even now, by 25 per cent, so where will it be 20 days from now?

I have some grave doubts about whether or not this cloud seeding will be successful. It has been carried on for 12 years at least in Alberta and in my own constituency, so I have some grave doubts about it. However, even if it works it is still 20 days away and the crop has been reduced 25 per cent below normal now. How much will the crops be shrivelled by then? Will the hon. Member for Renfrew South get his picture in the newspaper then and say, "I am here; I am with you." Will the Minister of Agriculture be in the country 20 days from now? How will this fit—

Mr. Greene: On a point of privilege, Mr. Speaker—

Mr. Deputy Speaker: Order, please.

Mr. Greene: The hon. Member has criticized me for attending on the premises of this farmer with the Minister of Agriculture of the Province. I have never claimed to be

a farmer. I have learned all I can about their problems and I am doing the best I can to help. The hon. Member is criticizing my attendance, but he has attended here less than any other Member. I know he attended 13 out of 23 meetings of the Agriculture Committee.

Mr. Deputy Speaker: Order, please.

Mr. Greene: If he is as interested as he claims, why was he not there?

Mr. Deputy Speaker: Order, please; we are now obviously debating a side issue. I would ask hon. Members again to limit their remarks to the subject matter of the motion.

Mr. Horner (Acadia): I have nothing to hide. My attendance in the Agriculture Committee is far better than that of any Member of the Liberal Party.

Some hon. Members: Oh, oh.

Mr. Horner (Acadia): The Committee may have been discussing tobacco, which cannot be grown in my constituency, and I might not have attended some of those meetings. I want those Members who question my attendance to know that I am responsible to the constituents of Acadia, not the agriculture industry of Canada. I question the attendance of the Minister of Agriculture in this regard.

Let us take a look at some of the action that can be taken with regard to this severe drought condition. We all know, and the Minister of Forestry knows, that a great deal of feed grain is shipped from Western Canada to Eastern Canada. He knows, and a great many others on that side of the House know, that many cattle are shipped down to be fed in Eastern Canada. If we have a severe drought condition with no hay, no grain, no corn, what will happen? I say that this severe drought condition will have repercussions which will reach all across Canada and could easily have a drastic effect on the cattle market this fall. We want action. The farmers of the Ottawa Valley and the western side of Quebec want action. Farmers all across Canada want action. It is all well and good for the Minister of Forestry to say, we are going to have a meeting. I think it is the duty of the Minister of Agriculture to say, we want to meet with the Provincial Ministers here and I have in mind the outline of a plan which could be accepted or not accepted by the various Ministers of Agriculture in the Provinces. This is what he should do. It is his duty to provide this leadership. He is the spokesman for the whole agriculture industry in Canada. I maintain this situation will have repercussions throughout the whole agriculture industry in Canada.

What should he do? It is quite easy to say. A number of projects have been suggested already and I intend perhaps to go over a few more. First of all, though, he should provide leadership and he should provide initiative. We are thankful that the Member for Lanark brought this subject up today so we could move the Minister of Agriculture into providing the initiative which I feel he has not provided up to this time for the agriculture industry. He could go along with the rain making idea. It is worth a gamble, they say, of 20 to 1, but I would say it is more like 50 to 1. He may well go along with that. I know, and the Minister of Agriculture knows, that a pasture can be short of grass, but there is a way of bringing feed grain to the grass. Western grain can be shipped in and corn can be shipped in from southern Ontario or the United States. Cattle can be fattened very economically through a system of grain on grass. This can be done and the Minister of Agriculture could provide the initiative and the leadership by announcing immediately to the farmers who are sacrificing their herds at Cobden and Perth markets: Do not sell your herds; do not sell your replacement cattle because help is on the way. This is what he should announce. He should ship in grain and the farmers should feed grain on grass. This is a well established practice in Western Canada, and cattle can be successfully fattened in this manner.

Then, again, freight assistance should be paid on the shipment of hay for dairy cattle. Cows that are producing milk cannot produce milk without good class silage or hay. Freight assistance should be paid on this, and freight assistance should be given to the shipping of machinery up into Timiskaming, or wherever the hay is available. Farmers should be encouraged to go out and put it up. They would be encouraged if they were told: Put your machinery on a flat car and the Government will pay the freight to wherever the hay is. This is a workable program. It has worked in the Prairie Provinces in the past and will work in this area of Eastern Canada.

In so far as beef cattle are concerned which are on grass, they could easily be shipped to community pastures and freight assistance could be offered by the federal Government for cattle shipped to grass rather than to market. Instead of farmers waiting

up until two o'clock in the morning to unload their trucks and rid themselves of the burden of feeding these cattle when their pastures are poor, the Minister should provide leadership by telling the farmers to put the stock in a freight car and ship them to a community pasture, even if it is on Manitoulin Island—ship them anywhere there is grass in western Ontario or western Quebec. The Government should pay the freight charges. Let us save the farmers from selling their means of livelihood. It is the prime responsibility of the Minister of Agriculture to maintain and sustain farmers on the land, but sometimes I wonder if he feels that way. Sometimes I think he wants to move them off the land, and the quicker that is done the happier he will be.

• (5:30 p.m.)

Suggestions have been made with regard to forestalling collections due under the Farm Credit Corporation Act and the Veterans Land Act. This can be done easily, and the Minister of Forestry thinks so, but it would only affect farmers who have loans under those acts.

Today the *Globe and Mail* has a full page devoted to the drought situation in Ontario, reporting that the banks are saying farmers are behind on their loans and that many places are being put up for sale because of this. These loans were not made under either of the acts I have mentioned, but there should be some means whereby the federal Government could move in and take over interest payments on these loans for six or 12 months until the drought situation is relieved.

The Minister of Forestry referred to the ARDA program and is now directing it as a war on poverty. Mr. Kent has been appointed as a $25,000 a year man, and so far as I know is not responsible to Parliament or any department. His main job is to eradicate poverty, and here is one step that could be taken in conjunction with his efforts, a step that would forestall closure on loans in the drought stricken area. Surely the Minister of Forestry can relay these suggestions to the Minister of Agriculture (Mr. Hays) when he returns from his very busy trip selling cheese and buying cattle which, no doubt, will have a long-range beneficial effect on the agricultural industry in Canada.

I have been heartened to some degree by the Minister's indication that action will be taken. I hope further action will be taken after this debate ends. I close on this note by saying I hope the Minister of Agriculture will take a continuing interest in this question, that leadership and initiative will be shown by the Government in providing assistance to farmers in conditions which are far from normal.

[*Translation*]

Mr. Vincent Drouin (Argenteuil-Deux-Montagnes): Mr. Speaker, I should like to say a few words about the urgent situation in which our farmers of eastern Ontario and western Quebec find themselves. That situation is really critical and an immediate solution is needed.

I myself am particularly aware of this, since I own about 200 acres of land under crop and probably 50 acres for grazing. For about a month or a month and a half, while we were short of water, I have been able to see the situation becoming more and more critical. This is nothing new for us, because it was the same thing last year. We did not have any water or hay and we had to get some from remote areas. Fortunately, the government paid part of the transportation costs in the case of the hay supply, which helped the farmers, but I feel there should be other means to deal with this situation and even prevent it.

I am surprised to hear most members, if not nearly all of them, say that it comes within the jurisdiction of provincial governments to initiate such solutions. They seem to forget completely section 95 of the British North America Act which provides that:

> In each province the Legislature may make Laws in relation to Agriculture in the Province, and to Immigration into the Province; and it is hereby declared that the Parliament of Canada may from Time to Time make Laws in relation to Agriculture in all or any of the Provinces, and to Immigration into all or any of the Provinces; and any Law of the Legislature of a Province relative to Agriculture or to Immigration shall have effect in and for the Province as long and as far only as it is not repugnant to any Act of the Parliament of Canada.

This means that not only the federal government has a competing jurisdiction in farm matters, but that this jurisdiction is greater than that given to provincial legislatures. This jurisdiction is similar for immigration. Why always wait for the provinces to act, when the federal government has full and entire jurisdiction. Instead of infringing upon provincial jurisdiction in the matter of social security or any other field, why not assume the responsibilities conferred upon us by the British North America Act? Why not assume our responsibilities in the matter of farming? Why always shift our responsibilities to the prov-

inces, when we not only have the constitutional means but also the material and financial ones to assume those responsibilities?

During the past few years, we have heard about rain making machines to control this element which can be destructive for our farmers: either too much or not enough rain. We see private companies try experiments with those machines, while the government is looking on; whereas, in my opinion, it should take the lead in experimenting with and controlling this element, so as to regulate not only the flow of excessive rain, but also certain variations in the weather in order to prevent, for instance, devastating frosts such as we have experienced in the past few years. The federal government is not only legally empowered but financially able to conduct those experiments so as to control and manage the companies in a position to make a useful contribution in this situation.

This is one of the suggestions I am making to the government, and allow me to refer once again to the matter of constitutionality. As reported on page 2200 of *Hansard*, in reply to a question of the hon. member for Pontiac-Témiscamingue (Mr. Martineau), the Minister of Agriculture stated:

Mr. Speaker, these representations—

He was talking about the representations made by provinces or farming groups to inform the federal government about the drought which prevails in eastern Canada.

—should first be made to the Province. In this regard may I say that on Tuesday afternoon in Toronto I discussed the drought problem with the Ontario Minister of Agriculture. We are all greatly concerned about this matter, but at the moment we have had no representations from the Province.

I commend the Minister of Agriculture for his interest in the matter. But I say to him that he does not have to wait for representations from the Ontario government, because action can be taken. Some means have been suggested earlier and I would not want to go over that ground again, since time is running short.

However, I should like to mention a pledge made by this government to the people of eastern Canada during the last election campaign.

At that time, we have promised—and I am one of those who have promised it on behalf of the Liberal party—that a feed grain agency would be created. We have the support in this regard of the agriculture committee which has made a unanimous recommendation to the house.

[Mr. Drouin.]

What are we waiting for before introducing legislation along those lines? I think such a bill would be just as important as the one we have considered yesterday relating to the freedom of action of publications circulated in Canada. Surely, it is just as important to look after eastern farmers and to fill the promises we have made.

It has been suggested that farm loan payments should be postponed. This suggestion from the hon. member for Nicolet-Yamaska (Mr. Vincent), which would have the effect of completing existing provisions of the Farm Credit Act, seems to be an excellent one, I think.

Such a step would only be useful to the farmers if payments were postponed until the end of the repayment period. I wholeheartedly support the suggestion of the hon. member for Nicolet-Yamaska and I urge the Minister of Forestry (Mr. Sauvé), whose sincerity is well known, to exercise the necessary pressure on the Minister of Agriculture. I can assure him that other hon. members will support any representation he makes to the Minister of Agriculture.

• (5:40 p.m.)

[*English*]

Mr. Lloyd Francis (Carleton): I am glad to have the opportunity to take part in a debate on a subject which so seriously affects farmers in this area. The general situation is one which brings to mind the droughts on the prairies in the thirties. I must say I wish there were more Members from the West here today to show a sympathetic interest in the problems of some of the eastern provinces. I congratulate the hon. Member for Acadia (Mr. Horner) on the measures he was prepared to support.

Without question we are facing a serious emergency. A number of suggestions have been made from all quarters of the House as to what might be done. Measures to deal with the situation, both short-term and long-term, will have to be brought forward. I know that the Minister himself has been much concerned about the situation. But at this point I should like to go on record as saying a few things concerning the lack of action on the part of the Ontario provincial Department of Agriculture. The ARDA program was put on the books while the party opposite was in power. I heard a great deal about what was going to be done for the Ottawa Valley. They were very proud of it. What, in fact, was done before this Government took office? There was not a single ARDA project approved for

any one of the counties affected by this drought. Schemes were submitted to Toronto and they died within the provincial Department of Agriculture. The Province of Ontario has taken a narrow and restricted view of ARDA projects. They have related them to watersheds; without a watershed there can be no project. In the counties affected by this drought there are no community pastures. There are no deep wells, no public assistance arrangements for farmers.

In the thirties the drought in the West was followed by measures of great importance in reaching a long term solution of farmers' difficulties—for example, the Prairie Farm Rehabilitation Act and the Prairie Farm Assistance Act. Under the constitutional arrangements which govern this country, the ARDA program was set up in such a way that grants were to be made by the federal Government. We have put a lot of new life into this program. I am proud of the enthusiasm the Minister has shown and the report he has submitted to this House. His addresses on the subject of rural poverty constitute a memorable series of speeches which I believe should be studied by scientists and sociologists across Canada.

The projects which have to go forward under ARDA arise at local municipal level and go to the provincial level. And it is there we find the dead hand; it is there we find the hand that kills, the hand that shows no initiative and no interest in a long term solution to the problems facing Eastern Ontario agriculture. The province is showing an interest in supporting a rain making project. The hon. Member for Acadia had something to say about projects of this kind. I do not know whether it works or not. Like my hon. friend from Renfrew South (Mr. Greene) I do not claim to be a farmer; but I am very much concerned about the farming communities I have the honour to represent in this House. I do know that unless some imagination is shown by the provincial authorities in the Province of Ontario, unless some interest is taken, unless they quit dragging their heels, we shall continue to suffer, in the absence of long term remedial measures. Those counties will suffer in the future as they are suffering now. The federal authorities are alert. They are concerned. Officials at federal level have made a number of technical suggestions and these are being reviewed at the present time. But we are not in a position where we can simply move on our own in disregard of the constitutional practice of this country. We have to act together, and this can only be done if the provincial authorities take a different view of the projects under ARDA upon which they have to pass.

Mr. R. R. Southam (Moose Mountain): First of all, I must compliment you, Mr. Speaker, on your good judgment in accepting this motion for debate this afternoon. In the second place I should like to compliment my hon. friend from Lanark (Mr. Doucett) for introducing this motion on a matter of such urgency and importance.

When the Minister rose to speak he said all parties supported the motion. But listening to the debate today it was my impression that the party opposite, represented by the President of the Privy Council (Mr. McIlraith), were opposed to it, together with the Social Credit Party, whose views were expressed by the hon. Member for Medicine Hat (Mr. Olson).

I am somewhat surprised by the comments which were made by the hon. Member for Carleton (Mr. Francis). In effect he tried to drag a red herring through this debate by his reference to the ARDA program. As he said, we in this party are proud of ARDA and we hope to see the present Government develop this program further. However, it is not an emergency program intended to deal with an emergency situation. It is a long term program whose effects will be felt in the next 20 years.

• (5:50 p.m.)

I come from the Province of Saskatchewan and I can well remember the emergency situation of 1961, and what was done at that time. The hon. Member for Qu'Appelle (Mr. Hamilton) was Minister of Agriculture, and immediately the gravity of the drought situation became apparent an emergency meeting was called composed of Ministers of Agriculture from the three western provinces, and members of the agriculture caucus. As a result of these meetings an emergency program was devised. We had to move rapidly because the danger signs had appeared; farmers were beginning to dispose of basic herds which had taken a lifetime to build up. Herds of this kind cannot be disposed of without great loss to those concerned. Perhaps I can summarize what was done under that emergency program. First we re-established the emergency freight rate assistance program for moving haying equipment to hayfields, and for shipping the forage back to the farmers. It was also mentioned by my colleague the

hon. Member for Acadia that we should move cattle to the hayfields. Second, we accomplished the establishment of forage banks by rural municipalities with a $5 per ton subsidy being provided equally between the provincial and federal governments. This measure also included a price ceiling of $20 per ton so that exploitation in prices would not take effect when this emergency was on. We found that sometimes when you have a situation where a commodity becomes scarce there is exploitation, and so we put a ceiling on it.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, inasmuch as we have just received the summons from the Senate, could I ask if the House would give consideration, after returning from that other business, to continuing to sit, in view of the fact that the Minister will be returning and that this important matter is not concluded? By unanimous consent would the House continue to sit and discuss this matter, so that the Minister would have the opportunity of replying?

Mr. Deputy Speaker: Order, please. I suggest that the Minister will have the opportunity to reply at some other time. The hon. Member knows that according to the rules there is a motion to adjourn the House, and this discussion terminates at the end of the proceedings for the day.

Mr. Peters: But by unanimous consent anything is possible, Mr. Speaker.

Some hon. Members: No.

THE ROYAL ASSENT

A message was delivered by Major C. R. Lamoureux, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

And being returned:

Mr. Deputy Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the Royal Assent to the following bills:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1966.

An Act to amend the Central Mortgage and Housing Corporation Act.

An Act to amend the Bank Act and the Quebec Savings Banks Act.

An Act to amend the Fisheries Improvement Loans Act.

BUSINESS OF THE HOUSE

Mr. MacNaught: Mr. Speaker, on Friday the House will be asked to consider the committee stage of Bill C-188, an Act to amend the Income Tax Act; second reading of an Act to amend the Children of War Dead (Education Assistance) Act; second reading of an Act to amend the Army Benevolent Fund Act; the resolution preceding a bill to amend the Judges Act; the resumed debate on the resolution to set up a joint committee on consumer credit; a motion to consider interim supply, and two supplementary estimates which, I understand, have been discussed with the Leaders of the various parties. Of course this statement is made with the reservation that the order in which the items have been announced is not necessarily the order in which they may be considered.

Mr. Starr: Mr. Speaker, I should like to say in reference to this announcement concerning the resumption of the debate on the establishment of a committee on consumer credit that it was based upon other considerations which were not outlined in the announcement. I want it absolutely understood that that is the situation.

Mr. Deputy Speaker: Pursuant to section 1 and section 4 of Standing Order 2, this House stands adjourned until eleven o'clock in the forenoon of Friday next.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, June 25, 1965

The House met at 11 a.m.

TRADE

JAPAN—VOLUNTARY RESTRAINTS ON EXPORTS TO CANADA

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, with the permission of the House I should like to table a copy of a letter dated June 25 from the Ambassador of Japan, informing me of the voluntary restraints which the Japanese Government is applying on the export of certain products to Canada during 1965.

These decisions were taken by the Japanese Government following consultations which began in December, 1964 between representatives of the Japanese and Canadian Governments. The levels of restraint which Japan is maintaining during 1965 provide generally for orderly increases over the 1964 levels. These increases, with but a few exceptions, are in the order of 3 to 5 per cent, and for virtually all products these increases are not greater than the expected growth in the market for the products in question.

With the approval of the House, I suggest that the Ambassador's letter be printed as an appendix to *Votes and Proceedings.*

I should like to inform hon. Members that I received representations from textile producers some time ago about the sharp and substantial increase within the cotton fabric quota in Japan's exports of converted broadcloth. The question has been raised with the Japanese Government and discussions on this matter are continuing.

I should also mention that representations were received from the textile industry about the impact of Japanese man-made fibre fabrics on the Canadian market. As a result of these representations we have drawn to the attention of the Japanese Government our concern about the way certain lines of man-made fabrics are being marketed, and we have asked that they examine this situation in order to ensure that a policy of orderly marketing is followed for these products.

As Members of the House may recall, a number of products have been freed from restraint during the last few years. This year, continuing this Government's policy of not asking for restraints when disruption to the Canadian market is no longer threatened, we have agreed that five items should be freed from restraint. These are spun rayon blouses, spun rayon shirts, canvas footwear, waterproof footwear, and dish towels. I have no doubt that the Japanese Government will interpret this as concrete evidence of the willingness of the Canadian Government to work toward the orderly expansion of two way trade between our two countries.

Mr. Deputy Speaker: Is it agreed that the document tabled by the Minister of Finance be printed as an appendix to *Votes and Proceedings*?

Some hon. Members: Agreed.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, of course detailed comment on this matter is impossible until one reads the correspondence and the actual documents tabled by the Minister of Finance. However, it is instructive to see that the procedures which have been in use for some time are being continued, and that the aims of these procedures which were outlined by a former Minister of Finance, Mr. Fleming, are being achieved, notwithstanding that a goodly number of the Minister's colleagues were bitterly critical about such procedures when they were on this side of the House; and in this connection I am looking particularly at the Secretary of State for External Affairs (Mr. Martin). I am very pleased to see that responsibility of office has rather matured the thinking of the present administration, if such a step is possible in certain sectors.

I hope Canadian industry, and generally the country at large, will understand the aims, certainly the impact, of quotas, even though these are not the same in various parts of the country, and one may hear some rather sharper comments from western Canada which, of course, has a different slant with regard to trade with Pacific nations than has the rest of the country.

OTTAWA TERMINAL RAILWAY COMPANY

IMPLEMENTATION OF AGREEMENT FOR RELOCATION OF RAILWAYS

Hon. J. W. Pickersgill (Minister of Transport) moved the first reading of Bill No. S-3 (from the Senate), to incorporate the Ottawa Terminal Railway Company.

Motion agreed to and bill read the first time.

WAR VETERANS ALLOWANCE ACT

AMENDMENTS RESPECTING AMOUNTS, EXEMPTIONS, ADMINISTRATION, ETC.

Hon. Roger Teillet (Minister of Veterans Affairs) moved that the House go into committee at the next sitting to consider the following resolution, which has been recommended to the House by His Excellency:

That it is expedient to introduce a measure to amend the War Veterans Allowance Act, 1952, to incorporate into the Act Schedule A as authorized by the Appropriation Act No. 10, 1964; to allow for further exemptions in property and income; also to provide for certain changes in connection with the administration of the Act.

Motion agreed to.

VETERANS' LAND ACT

AMENDMENTS RESPECTING AUTHORITY OF DIRECTOR, HOME CONSTRUCTION ASSISTANCE, ETC.

Hon. Roger Teillet (Minister of Veterans Affairs) moved that the House go into committee later this day to consider the following resolution, which has been recommended to the House by His Excellency:

That it is expedient to introduce a measure to amend the Veterans' Land Act:

To establish a revolving fund for certain capital receipts and expenditures to be called the Veterans' Land Act fund;

To provide authority for the Director to pay certain debts incurred by veterans to make improvements to land;

To give the Director greater discretion in varying the payment terms of an agreement between the Director and the veteran entered into under subsection (1) of section 10;

To change the basis for determining the maximum limit of financial assistance that may be given to a veteran under subsection (3) of section 10;

To allow a veteran to lease premises occupied by him under a contract under section 10 after the expiration of a period of ten years;

To authorize the Director, with the consent of the Minister, to enter into a contract with a veteran who is in default in respect of a contract previously entered into under the Act;

To require the Director to accept the amount of a contract debt as the cost to the Director before the expiration of ten years from the effective date of the contract under certain conditions;

To extend the purposes for which the proceeds of sale of land, improvements, livestock or farm equipment may be used;

To extend the purposes for which funds may be advanced by the Director to a veteran under subsection (1) of section 15;

To authorize the Director to grant assistance to veterans who have received assistance under the Veterans Rehabilitation Act or the War Service Grants Act under certain conditions;

To extend the purposes for which a grant may, pursuant to sections 38 or 39, be used;

To increase the maximum home construction assistance from twelve thousand dollars to eighteen thousand dollars;

To increase the maximum loan available under section 64 from twenty thousand dollars to forty thousand dollars and to extend the purposes for which a loan, pursuant to this section, may be used;

To extend the purposes for which a loan may, pursuant to section 64A, be used, to increase the maximum loan available thereunder from twelve thousand dollars to eighteen thousand dollars and to vary its provisions under certain conditions;

To reduce the deposit payable by a veteran under section 65, to extend the purposes for which a loan made thereunder may be used, to increase the maximum loan available under this section from four thousand eight hundred dollars to ten thousand dollars and to provide for adjustment on loans partially advanced at the coming into force of the amendment;

To provide for consolidation of all outstanding farm improvement assistance loans between a veteran and the Director in one agreement and, for the purposes of such consolidation, to authorize appropriate variation of the repayment period specified in each of the outstanding agreements;

And to provide further for certain changes in consequence thereof and also in connection with the administration of the Act.

Mr. Deputy Speaker: I understand that by unanimous consent this motion is to be considered later this day.

Mr. Teillet: On a point of order, my understanding was that both resolutions would be considered later this day.

Mr. Deputy Speaker: Is it agreed that the first motion also be considered later this day?

Some hon. Members: Agreed.

Motion agreed to.

DOMINION-PROVINCIAL RELATIONS

ISSUE OF EXPLORATION PERMIT FOR GULF OF ST. LAWRENCE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I direct my question to the Acting Prime Minister. It concerns the issue or grant of an undersea exploration permit by the Federal Government in respect of areas adjacent to the Gaspé and the statement by Mr. Levesque that the grant constitutes a coffin nail for Confederation; also the criticism by the Premier of Quebec that what took place was most improper.

Has the Government given consideration to discontinuing the granting of permits of this kind, in view of the fact that it has sub-

mitted to the Supreme Court of Canada the British Columbia claim to such rights? I thought I would address this question to the Acting Prime Minister because this is a matter which covers several departments. I notice he indicates that he wants to hear from the Minister of Northern Affairs, but I am directing my question to him because of his all-pervasive and comprehensive knowledge of these matters. I ask him whether the Government will reconsider the undertaking given by the Prime Minister that this whole question should be considered at the Dominion-Provincial Conference to be convened in July rather than permitting it to become an interprovincial-Federal squabble which could certainly do nothing toward a solution of this problem and which might bring about further disunity within this country.

Hon. Paul Martin (Acting Prime Minister): I am sure that on my right hon. friend's return to the House he would not want his first question to be one which would disturb the happy waters which now exist. I want to congratulate him on the apparent success of his non-political fishing trip.

Mr. Diefenbaker: The political one was even more successful.

Mr. Martin (Essex East): Mr. Speaker, I think this matter comes within the purview of my hon. friend the Minister of Northern Affairs and National Resources, and he might care to make a reply.

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, in anticipation of this question being asked today I have reviewed the facts. I would like to advise the House that Canada oil and gas permits have been issued for a period of years, under the Canada Oil and Gas Regulations, since the Convention on the Continental Shelf agreed to at the United Nations Conference on the Law of the Sea in 1958 confirmed that rights to these submerged resources belong to Canada.

The Minister responsible should not and does not select on the basis of discretion which bona fide applicants are to receive grants of exploratory permits and which applicants are not allowed to obtain permits. Pan American Petroleum Corporation made regular application for exploratory permits in the Gulf of St. Lawrence on June 9, 1965. It is the view of the Federal Government that as the seabed resources of the Gulf of St. Lawrence do not lie within the boundaries of any province, they are subject to the administration of the Federal Government.

The right hon. Leader of the Opposition raised the question of the reference to the Supreme Court of Canada in respect of the Province of British Columbia. The House is aware that this Government has referred the question of the jurisdiction over submerged resources on the Pacific coast to the Supreme Court of Canada. This action was taken because of the position of the Province of British Columbia that it held exclusive jurisdiction to control the exploitation of these off-shore resources, a position which the Federal Government does not accept. It was our hope that the issues raised by this first reference would give a clear indication of the respective rights of the Federal Government and the Provinces in this particular question.

I do not think I need to say any more at this time. We have been issuing these permits, on the basis of the Canada Oil and Gas Regulations, to bona fide applicants in the normal procedure and the normal way.

Mr. Diefenbaker: A supplementary question, Mr. Speaker. May I come back to the source of all information—I did not say of wisdom—and ask the Acting Prime Minister whether the Federal Government will carry out the promise it made that this question of underwater rights would be discussed at the Federal-Provincial Conference on July 19, rather than following the haphazard, uncertain course that is being followed now, to which the Minister has made reference. Is this dispute going to be settled, rather than through this course, through the instrumentality of that so-called new federalism that has brought about so much division?

Mr. Martin (Essex East): Mr. Speaker, this question is on the agenda.

Mr. Diefenbaker: An agreement can be reached at that meeting on July 19 without regard to any submission to the Supreme Court of Canada?

Mr. Martin (Essex East): No. As my right hon. friend knows, Mr. Speaker, a reference has been made to the Supreme Court of Canada in the case of the British Columbia situation. However, this general question is on the agenda for discussion at the Federal-Provincial Conference and I would hope that as a result a solution satisfactory to all parties could be found.

[*Translation*]

Mr. Marcel Lessard (Lac-Saint-Jean): Mr. Speaker, I should like to direct a supplementary question to the Minister of Northern Affairs and National Resources concerning the permit he issued to Pan-American Oil for the development of underwater natural resources in the Gulf of St. Lawrence.

Did the minister get the Prime Minister's authorization before granting this permit? The point is that the premier of Quebec told the legislative assembly Wednesday that the Minister of Northern Affairs and National Resources was not supposed to issue a permit without the authorization of the Prime Minister of Canada. Did the minister discuss the matter with the Prime Minister and is the latter aware that a permit has been issued?

[*English*]

Mr. Laing: Mr. Speaker, I know of no undertaking having been given by the Prime Minister that we would desist from the issuance of permits, either for any period or until a decision in respect of the Pacific offshore question was brought down by the Supreme Court.

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, I have a supplementary question for the Minister of Northern Affairs. In his statement a few minutes ago he said that as these submerged resources do not lie within the boundaries of any province they therefore belong to the Federal Government. Does that mean the Government now prejudges the coming decision of the Supreme Court of Canada on this matter, the question having been referred to that body?

Mr. Laing: Mr. Speaker, the fact that we have referred the matter to the Supreme Court of Canada is an indication of the position taken by the Federal Government; we want a judgment in this regard.

Mr. Martineau: Then what is the basis for the Minister's statement that these resources do not belong to the provinces but to the Federal Government? I am asking the Minister, is this not what the Supreme Court of Canada must now decide?

Mr. Laing: Mr. Speaker, my hon. friend will of course understand that the regulations under which we issue these permits are based on the convention on the Continental Shelf in respect to which Canada as a nation is party along with a number of other nations. Until such time as a decision is made as to where the responsibility in Canada lies and a judgment brought down by the Supreme Court of Canada, we can take no other stand.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I have a supplementary question for the Acting Prime Minister. This matter is on the agenda of the Federal-Provincial Conference. May I ask when it is going to be on the agenda of the House of Commons so that the Members of this House may have the opportunity of discussing this very important question?

HOUSE OF COMMONS

INQUIRY AS TO EMPLOYMENT OF BILINGUAL GUIDES

On the orders of the day:

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I should like to put a question to the Acting Prime Minister.

Could the minister tell us why bilingual guides have not been hired to escort visitors through the parliament buildings during the holiday season?

Hon. Paul Martin (Acting Prime Minister): Well, Mr. Speaker, I am not aware of the situation, but I shall look into it without delay in order to have the required changes made.

[*English*]

AGRICULTURE

OTTAWA VALLEY—FEDERAL ASSISTANCE TO MEET DROUGHT CONDITIONS

On the orders of the day:

Mr. G. H. Doucett (Lanark): Mr. Speaker, I should like to ask the Minister of Agriculture or the Acting Minister a question. In view of the drastic drought situation and the need of the farmers to know where they stand, will the Minister of Agriculture immediately announce a policy of federal action to provide hay for the drought stricken farmers of the Ottawa valley in order that they may carry on without being forced to sell cattle at fire sale prices? Will the Minister of Agriculture, without waiting for the provinces, immediately make representations to his colleague the Minister of Public Works so that large areas of hay on property belonging to the National Capital Commission may be cut and made available as quickly as possible?

Hon. Maurice Sauvé (Minister of Forestry): Mr. Speaker, following the debate we had Wednesday afternoon I am pleased to announce that the Minister of Agriculture for Ontario, Mr. Stewart, and the Minister of Agriculture for Quebec, Mr. Courcy, and their

officials will be here on Monday to discuss this very serious situation. As to the suggestion concerning federal property, I will bring this to the attention of the Minister of Public Works.

Mr. H. W. Herridge (Kootenay West): A supplementary question, based on a news report concerning a recent press conference held by the Minister during what Mr. Arthur Blakely calls his recent visit to Ottawa. In view of the confusion caused by various reports of this Conference and the Minister's philosophical and oral approach to the rainmaking proposal of the Government of Ontario, is the Minister now in a position to inform the House of the policy of the Government with respect to that rainmaking proposal?

Mr. Sauvé: Mr. Speaker, if was the Minister of Agriculture who held the press conference. I understand this matter will be discussed on Monday when Mr. Stewart will be here in Ottawa.

Mr. R. A. Webb (Hastings-Frontenac): A supplementary question, Mr. Speaker. In view of the limited opportunity to observe the drought stricken areas north and west of Ottawa on the Montreal-Ottawa Air Canada flight, will the Minister of Agriculture, now that he has once more got his feet on the ground, take the occasion to personally visit the affected areas of eastern Ontario and western Quebec so he can view conditions at ground level?

Mr. Sauvé: Mr. Speaker, I would point out that on June 10 the Minister of Agriculture announced in the House of Commons that he had taken the occasion of a visit to Toronto to discuss the problem with the Minister of Agriculture of Ontario, and it was not until a few days ago that the Government of Ontario decided to request the help of the Government of Canada for rainmaking purposes.

Hon. Paul Martineau (Pontiac-Témiscaminque): A supplementary question, Mr. Speaker. When will the Minister of Agriculture be present personally in the House to make a statement on this question?

Mr. MacInnis: He was here on June 10. What are you squawking about?

FEED GRAIN—INQUIRY AS TO EASTERN MARKETING BOARD

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, because we have to get information from the Minister of Agriculture second hand, possibly the Minister of Forestry will be able to tell the House of Commons whether the new policy with regard to feed grains, to which the Minister of Agriculture made reference yesterday during his stopover in Ottawa, will embrace the eastern livestock feed board proposal that was placed on the order paper by the previous government on February 4, 1963, and recently adopted as suitable by the Minister of Forestry?

Hon. Maurice Sauvé (Minister of Forestry): Mr. Speaker, this is a matter of Government policy which will be announced in due course, but I am very pleased to learn that we will have the support of the official opposition for any good policy that we put forward.

Mr. Diefenbaker: Mr. Speaker, there has always been support for the good policies we have advanced, but that is not the question. Why should we in Parliament have to wait for an announcement of policy when outside the House the Minister of Agriculture has announced a policy with regard to feed grains?

Mr. Sauvé: Mr. Speaker, I have not read the transcript of the press conference of the Minister of Agriculture, but I am very doubtful that he would have made any announcement of Government policy.

EXTERNAL AFFAIRS

DOMINICAN REPUBLIC—MURDER OF CANADIAN PRIEST

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is addressed to the Acting Prime Minister. Can he tell us whether he has any information as to the identity of the killers or the circumstances surrounding the murder of the Canadian priest, Rev. James McKinnon, and also what precautions are being taken to ensure the safety of other Canadian nationals who may be in the Dominican Republic at this time?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, all Canadians regret very much, of course, the circumstances of the death of Father McKinnon, just as we regretted a few months ago the murder in the Congo of Canadian missionaries of other denominations. Father McKinnon, a priest with the Scarborough Foreign Mission Society, was shot and killed on a road leading from Monte

Plata, a Town near Santo Domingo, on the evening of the 22nd June. An investigation is now being conducted by staff members of the Inter-American Commission on Human Rights of the Organization of American States. Our mission, with whom I was in touch by telephone this morning, tells me that they are not yet in a position to determine the full circumstances of the unfortunate death of Father McKinnon. I am sure I express the feelings of all Members of the House when I extend our deepest regrets to the Fathers of the Scarborough Foreign Mission Society and to the members of Father McKinnon's family.

Mr. Thompson: A supplementary question, Mr. Speaker. I asked a second question regarding the safety of other Canadian nationals now in the Dominican Republic.

Mr. Martin (Essex East): I should have answered that question too; I apologize to my hon. friend. Most of the Canadians who were in Santo Domingo have been evacuated. There are comparatively few left, and these include some Canadians who wish to stay and to discharge their missionary obligations.

RECEPTION OF COMMONWEALTH PEACE MISSION BY RUSSIA AND NORTH VIET NAM

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. Are the reports over the Canadian Broadcasting Corporation this morning correct when they indicate that the Government of North Viet Nam at Hanoi and the Russian Government in Moscow are now prepared to receive the Commonwealth peace mission? I ask this question in view of the fact that reports yesterday indicated that the Russian Government would not receive the peace mission. The reports over the Canadian Broadcasting Corporation this morning were that Moscow had reversed its policy, and that Hanoi had also agreed to receive the peace mission.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, notwithstanding what may be the attitude of certain countries involved in the Viet Nam crisis, it is now possible that the mission will proceed to carry out its purpose some time within the course of the next 10 days or so. The Government of the United States through its Secretary of State has clearly indicated that it will be happy to see the mission and approves of the initiative taken. It is also unclear if the remarks attributed to the Premier of Communist China amount to a flat refusal to receive the mission. It is hoped that the statement made by the Soviet Union indicates that the Government at Hanoi may yet find it desirable to meet the mission. It is not clear whether the Soviet Union will ultimately refuse to receive the mission. I think there are good grounds for believing the Soviet Union may not be opposed to receiving it at some stage.

Mr. Nesbitt: May I ask a supplementary question. I thank the Minister for his lengthy answer. I ask directly, therefore, are the reports over the C.B.C. this morning correct when they say both Hanoi and Moscow will now receive the peace mission; or are these reports incorrect?

Mr. Martin (Essex East): I have already made my reply.

Mr. Barry Mather (New Westminster): May I ask a supplementary question in connection with the attempts made to negotiate a peace in Southeast Asia? Has the Minister any further report or comment to make on the reports of today and yesterday as to the bombing within a very few miles of the border of China by jet planes?

Mr. Martin (Essex East): Mr. Speaker, there has been a change in the direction of the bombing, but there has been no intensification of it.

AIR TRANSPORT

INQUIRY AS TO COMMENCEMENT OF DIRECT SERVICE TO GUADELOUPE

On the orders of the day:

[*Translation*]

Mr. Gérard Laniel (Beauharnois-Salaberry): Mr. Speaker, I wish to direct a question to the Minister of Transport.

During Wednesday's sitting the minister announced the inauguration of a direct air service between Montreal and Guadeloupe. Since there was no question period on that day, I wonder if he could tell us now on what date that new service will begin.

In my opinion that question is quite urgent since hon. members hope to be on holiday soon and some of them might want to enjoy that island's famous French hospitality.

[*English*]

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I am afraid the service will not be inaugurated in time for hon.

Members to spend their summer holidays in Guadeloupe, though if that would hasten the adjournment of the House perhaps I might get Air Canada to speed up the matter. It is expected that the service will be inaugurated in the early autumn, and I should like to say how grateful I am to the French Government for the wonderful co-operation they have given us in this matter.

NATIONAL REVENUE

TAX ON POPSICLE STICKS AND ICE CREAM SPOONS

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address a question to the Minister of National Revenue. Has the Department of National Revenue informed the National Dairy Council of the Government's intention to apply the 11 per cent sales tax to a number of products in the ice cream industry, including popsicle sticks and ice cream spoons?

Hon. E. J. Benson (Minister of National Revenue): Mr. Speaker, there is a question on the order paper dealing with this matter which I will answer at greater length, but I should like to point out to my hon. friend now that it is not the intention of the Department of National Revenue to tax any dairy products produced by the dairy industry.

Mr. Starr: Mr. Speaker, I asked about two specific items. Would the Minister answer with regard to them and will he give consideration to not taxing these small items, unless the Government is now augmenting its war on poverty with a war on children?

Mr. Benson: Mr. Speaker, the allegation is ridiculous, of course. The hon. Member has referred to popsicles, which are produced both by the dairy industry and by independent operators. Popsicles consist of sugar, food colouring, flavouring and water which are combined and frozen. In their other form, as soft drinks, they are taxed. The question of their being taxable when frozen into popsicle form by the dairy industry is now under review by my Department.

CANADIAN COAST GUARD

REPORTED HIRING OF OFFICER PERSONNEL FROM U.K.

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): I should like to direct a question to the Minister of Transport. In view of the high unemployment in the Atlantic Provinces will the Minister advise if the report is correct that the Department at present is hiring deck officer personnel for the Canadian Coast Guard directly from the United Kingdom, without first advertising those positions in the Atlantic Provinces' newspapers?

Hon. J. W. Pickersgill (Minister of Transport): I did not hear the first few words of the hon. gentleman's question, but from what I heard I would think it most unlikely that any personnel would be hired from anywhere outside Canada without prior consultation with the National Employment Service, because that is the usual policy of the Government. I would not like, in a Department such as mine, to say I am aware of everything that is going on at every hour of the day. I think I would be prudent to inquire before being too categorical.

OLD AGE SECURITY

INQUIRY AS TO REPORTED SPEECH BY HEALTH MINISTER

On the orders of the day:

Mr. M. W. Martin (Timmins): I have a question for the Minister of National Health and Welfare which arises out of a speech the hon. lady gave at Fredericton on Tuesday of this week, of which she was kind enough to send copies to all Members. Can the Minister inform the House which region of Canada or which group in Canada she was contemplating when she mentioned that an old age security payment of $75 per month would be too high?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): I would be glad to discuss it with my hon. friend at any time.

EXPO '67

INQUIRY AS TO PROVISION FOR AGRICULTURAL EXHIBITS

On the orders of the day:

Hon. D. S. Harkness (Calgary North): I received an answer last week from the Minister of Trade and Commerce with regard to what agricultural expenditures were planned for Expo '67. The answer was to the effect that no provision had been made in the capital budget for any expenditure for an agriculture pavilion, since it was envisaged it was possible this would be sponsored by interested parties throughout Canada. According to Wednesday's *Gazette* the general manager of the exhibition has stated that

they will have to scrap three projected pavilions, namely those dealing with better living, food and agriculture unless Canadian business is able to raise a further $30 million for the purpose of these pavilions. Under these circumstances, is it not planned to have any agriculture building if business does not take action; or what action is to be taken?

Hon. Mitchell Sharp (Minister of Trade and Commerce): It is our hope and our expectation that there will be sufficient sponsorship for exhibits of this kind, because they do provide an opportunity not only for the educational and the entertainment values that are inherent in an exhibition of this kind but also provide an opportunity for Canadian companies to show their contribution to agriculture. However, and I do not think this is at all likely—if sponsorship were not to come forward in the required amount, the situation would be reviewed, and I can assure my hon. friend there will be an adequate representation of the agriculture industry at Expo '67.

UNITED NATIONS

INQUIRY AS TO CANADIAN POSITION REGARDING DEFAULTING NATIONS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I should like to ask the Secretary of State for External Affairs whether the Government of Canada has now reversed the stand it took earlier that defaulting members of the United Nations should, under the charter, be denied the right to vote. Has the Government altered its view in this regard, and does it now intend to support the action to assure that the U.S.S.R., France and other defaulting nations shall not be denied the exercise of their full rights under the charter by reason of their default?

Hon. Paul Martin (Secretary of State for External Affairs): The Canadian Government, of course, has not changed its view about the application of Article 19 to a situation where a member is in default for an amount greater than its assessment for the two previous years. Earlier this year the Canadian Government made its stand known when Albania moved for the resumption of the normal business of the Assembly. We said we did not regard our vote on that occasion as in any way prejudicing the position which we felt should legally be taken with regard to Article 19.

But the Canadian Government now thinks, this question having been affected by the vote on that occasion, it would be regrettable

for the future integrity and usefulness of the United Nations if we were to have a repetition of the stalemate which attended the deliberations of the United Nations last December and January. The British Government, the Scandinavian Governments, New Zealand, Iceland and Canada have made voluntary payments toward the financial situation facing the United Nations. We hope this will help create a climate in which it will not be necessary for the Assembly to meet next September faced with the frustrating circumstances that attended the last Assembly. I think the wise course would be to seek to proceed with substantive business, and to regard the application of Article 19 as having been resolved for this situation alone along the lines of the statement made by Canada last February.

Mr. Diefenbaker: In this situation it is difficult for me to follow exactly what the situation is, using the words of the hon. gentleman. Does this mean that Canada's position now is that regardless of the default on the part of the U.S.S.R., its puppet nations and France, when the session opens this fall Canada will give support to deliberations being continued and votes taken, regardless of whether contributions have been made by the defaulting nations?

Mr. Martin (Essex East): Yes, Sir.

EXTERNAL AFFAIRS

ARREST IN U.S. OF CANADIAN CIVIL RIGHTS WORKERS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have a question for the Acting Prime Minister, notice of which I gave him this morning. However, there has been a change. I indicated to the Acting Prime Minister this morning that I would ask him if the Canadian Government had made inquiries concerning the imprisonment at Jackson, Mississippi, of a Canadian civil rights worker, Mr. Robertson Wood. I understand that in the meantime Mr. Wood has been released but that Mr. Paul Saltzman, son of C.B.C. weather man Percy Saltzman, has been arrested at Jackson, Mississippi, on a similar charge. Will the Government make inquiries concerning this matter?

Hon. Paul Martin (Acting Prime Minister): I am not aware of the circumstances so far as Mr. Saltzman is concerned, but I will make immediate inquiries. It is reported that Robert Wood, a young Canadian citizen associated

with the Student Non-Violent Co-ordinating Committee, was recently arrested in Jackson, Mississippi, and detained there because it was not possible to arrange bail. Yesterday I instructed our consul-general in New Orleans, who has jurisdiction in the State of Mississippi, to look into this situation and to see what assistance that would be warranted he could give to this young Canadian national.

Mr. Deputy Speaker: Orders of the day.

Mr. Knowles: As a supplementary question—

Mr. Deputy Speaker: Order. May I bring to the attention of the hon. Member that we have already gone about two minutes beyond the time, and that he just got in under the wire. Therefore I suggest we call orders of the day.

INCOME TAX ACT

The House resumed, from Tuesday, June 22, consideration in Committee of Bill No. C-118, to amend the Income Tax Act and the Federal-Provincial Fiscal Arrangements Act —Mr. Gordon—Mr. Lamoureux in the Chair.

The Chairman: Order. When the committee rose on Tuesday last clause 1 of the bill was being considered.

On clause 1.

Mr. Lambert: What is the allocation within the taxation year 1966, or any subsequent taxation year, so far as the residence of any person described in the amendment is concerned, if there is a posting abroad say five months after the beginning of the taxation year? Is it on an aliquot basis by months, or what would be the effect of the amendment? Does living abroad for a portion of the year qualify a person described in the amendment to exemption for the whole year, or is it on an aliquot basis?

Mr. Gordon: He would get it for the whole year.

Mr. Monteith: I take it that people on government assistance programs who are out of the country for a period will be in the same category as ambassadors and others for taxation purposes?

Mr. Gordon: That is correct.

Clause agreed to.

Income Tax Act

On clause 2—*Transfer of superannuation benefits and retiring allowances.*

Mr. Knowles: With respect to the part that provides income tax deductibility for contributions made to the Canada Pension Plan, is this deductibility over and above any other deductibility that is allowed for pension plans of various kinds?

Mr. Gordon: Yes, Mr. Chairman, it is quite separate from everything else.

Mr. Monteith: Would the Minister indicate whether there could be any possibility of using this as an additional remuneration for an individual?

Mr. Gordon: The only reason I hesitate to give a categorical answer is that people are ingenious and do find loopholes in the law. I can assure my hon. friend there is no change that would make the situation different from what is was previously. I do not think there is any opportunity here to take advantage of this particular clause. Certainly the amendments would not add to the pension.

Mr. Monteith: The hon. Member for Winnipeg North referred to subsection (2)(x) and I agree with this provision. Then provision is made for certain leasehold payments and landscaping costs. At present it is not possible to qualify for depreciation on these. They are not allowed as an expense, but now I understand the Minister is providing that these be deductible.

Mr. Gordon: That is correct, Mr. Chairman.

Mr. Patterson: As I followed the discussion during resolution stage I understood the bill did not cover land levelling. My colleague from Medicine Hat dealt with this aspect of the matter at some length, because of its importance in irrigation areas. It is important to my province, and I want to express appreciation to the Minister for including this recommendation of my colleague with respect to the levelling of land.

Mr. Gordon: I thank my hon. friend for his kind remarks. As he says, the matter was raised by the hon. Member for Medicine Hat, and it was also brought to my attention by the Minister of Agriculture who, as one would expect, watches these matters closely.

Mr. Herridge: I endorse the remarks made by the hon. Member for Fraser Valley. As the Minister knows, I have urged this course for 15 years, and I can assure him this pro-

vision will mean a great deal to many of the farmers in B.C. and other parts of Canada.

Mr. Gordon: I thank my hon. friend for his remarks. It has always seemed to me that in this particular area, while incorporated businesses were entitled to write off their capital investments in machinery, equipment, buildings and that sort of thing, the farmers were at a disadvantage because there was no provision in their case for them to claim any part of these costs. I think Members on all sides are pleased with the solution which has been found.

• (12:00 noon)

Mr. Lambert: Subclause (2) covers a number of so-called "nothing" items, as chartered accountants call them. I made some remarks during a previous stage in reference to paragraphs (y), (aa) and (ab). In particular, I referred to (y) and suggested there was discrimination, inasmuch as the exemption is only granted to the property owner who has to pay an amount of money to cancel a lease held by a person or business at arm's length. I raised the question of the lessee who would have to pay an amount to get rid of a lease because, shall we say, he is moving into larger premises. In addition, I criticized the arm's length provision because it appeared to me there can be definite arm's length relationships even though persons may be related, within the same family.

I cannot see why such a limitation as this should be imposed. Blood relationship or related interests may be involved when we are dealing with a corporate taxpayer, yet this item is being granted only to a very limited class of taxpayers. I suggest to the Minister that arrangements be made to cover any payments made to cancel a lease if they are made within the class of business provided for in paragraph (y).

Mr. Gordon: I am informed that similar payments made by a lessee would be allowed as a deductible expense under the existing law.

Mr. Lambert: That is the law as it exists today?

Mr. Gordon: Yes. As to the second part of the hon. gentleman's comments, without question there are difficulties in administering the law as it applies to transactions between associated groups and family concerns. We were afraid that if this was not limited to transactions made at arm's length there would be abuse.

[Mr. Herridge.]

Mr. Lambert: Suppose there is a family relationship of say father and son, between a taxpayer and a lessee. In the event that the father controls the company which is the lease owning company and the son controls the corporate entity which leases the property, would this arrangement attract to it a classification as one which was not at arm's length and not therefore entitled to relief?

Mr. Gordon: Under the law they would not be dealing at arm's length, so any transaction would be examined very closely.

Mr. Lambert: That is pure discrimination.

Mr. Gordon: Maybe.

Mr. More: I am not sure whether this is directly relevant to the item we are now discussing, but I wish to ask whether the Minister has given consideration to the problem I raised concerning mechanics and the tools they have to purchase to carry on their employment. It seems to me there is discrimination here, and I should like to know whether the Minister is considering dealing with the matter.

Mr. Gordon: I can assure the hon. Member that a great deal of consideration has been given to this particular matter he brought to the attention of the committee, as well as to a number of similar or related matters about which arguments can be made one way or the other. We have moved with respect to a number of items here where we felt we could safely move. As to the others, we have decided we should wait for the Carter report.

In this matter of the mechanics tools, there are complications. In some cases the remuneration of a mechanic is based on the fact that he must provide his own tools; he is paid a higher wage or price than he would normally be paid, or would normally be able to negotiate through the market place. These are complications through which we have not seen our way clear as yet, but we are hoping the Carter Commission will be of assistance.

Mr. More: May I point out that the fact a mechanic may receive higher remuneration after providing his own tools makes him eligible to pay higher taxes. The boss can write off costs of tools and machinery, yet we discriminate against his employees.

Mr. Gordon: I do not think I can accept that argument in quite those terms. I do not believe people should object too much to

paying higher taxes if they earn more money. That is the whole principle of our income tax structure.

Mr. More: But why the discrimination?

Mr. Gordon: I must say I quite agree. I think this is a difficult case. But it is not black and white; the argument is not all on one side. That is why we decided to defer dealing with it until we have heard from the Carter Commission.

Mr. Muir (Lisgar): I wish to express my appreciation of the relief afforded to farmers in respect of drainage and land clearance. However, I should like the Minister to clarify certain of these provisions. No mention was made here of any deduction in respect of open drains. In my part of the country tile drainage is not used but ditching is used extensively. I would expect that any expenses in connection with open ditching would be treated in the same way as if the taxpayer were draining by tiles.

Mr. Gordon: Large projects would be covered by the general description "clearing land". If the work were done by an individual farmer it would, I am informed, be allowed as a deduction.

Mr. Lambert: With regard to the proposed paragraph (aa) dealing with expenses, I believe the Minister has a laudable object in mind in dealing with legitimate expenditures, but I am wondering what yardstick of reasonableness is being used with regard to the interpretation of this paragraph. It seems to me a considerable area of discretion is opened in deciding which expenses are to be considered legitimate. Does one come to Ottawa to see the Minister of National Revenue on a tax matter, take the most expensive suite at the Chateau and eat at all the more expensive restaurants in the city? What limit is to be placed on this expense account living? The words of the paragraph are very wide ranging; they practically bring in the kitchen sink.

• (12:10 p.m.)

Mr. Gordon: I suppose the same broad tests of reasonableness will apply to these expenses as to any other business expenses. I think it does raise this question, because the assessor must make up his mind whether any expense is a reasonable one to be charged against the business. In this particular case there is, of course, an added check. If a client retains a lawyer and the lawyer charges excessive fees, or his expenses are unreasonable in the opinion of the client, then perhaps the lawyer might not be retained again. I do not know how you can lay down a hard and fast rule unless you say that lawyers or other professional men are only worth so much a day, and that they shall not be allowed expenses of more than so much. This would be getting down to the kind of detail that would make it impossible for the department to administer the law, I would think.

As my hon. friend knows, before this section was available many people used to include these expenses under some other heading or under some general heading. A lot of people, I presume, claimed them as deductions and probably were allowed them, and others were not. If they were noted separately on a bill, I presume they were excluded. So it is pretty hard to say where the line should be drawn. Many of these representational expenses are just as much a cost of doing business as almost anything else, and that is why the section was included. As to the point raised by the hon. Member, I am afraid I have not a specific answer.

Mr. Lambert: Perhaps I may give this example, Mr. Chairman. It may be a case of persons coming to Ottawa to make representations with regard to a private bill that is going through the other place and this House. Would it be deemed reasonable that all the provisional directors or all the petitioners should come here assisted by a battery of counsel or what have you? This is a hypothetical example, I must say, but I realize it might be a temptation to send everybody down here on a junket of this type. How can the officials of the Department of National Revenue actually establish that in the case of a private bill it was only necessary for one or two of the petitioners to come here accompanied by counsel, when it might have been just as reasonable for say five of the petitioners to come here?

Mr. Gordon: Mr. Chairman, in the particular example my hon. friend raises, any pre-incorporation costs would not be allowed anyway. That would take care of that problem. If it was an amendment to some existing statute and the company felt that all their directors should be on hand to help, I would expect that this would be allowed because the decision would be made by the company itself. It would be a pretty expensive thing for the company to do and would sound pretty silly in most cases. We get into an area where conceivably there could be abuses, and if there were and they were discovered, the Department would disallow the expense.

Mr. Monteith: Mr. Chairman, my question is under paragraph (4). There is a new section to Section 11 of the Act and deals with the application of clause 2 (aa) of the amendments. I am just wondering what would be the position of a corporation which by the end of the year had run into part of an expense described under subparagraph (aa) but was not sure how much further expense would be involved in this particular undertaking. If at the end of the year they had not decided whether they would like to have it all charged up in one year or spread over ten years, what would be the situation?

Mr. Gordon: They would have to make up their mind before they filed their return, Mr. Chairman.

Mr. Monteith: Let us assume, for the sake of argument, that they had undertaken this expenditure in one year and decided to charge it up as an expense in that year, and then had an additional amount the next year. They could elect to divide that latter part over the next ten years?

Mr. Gordon: Yes, they could.

Mr. More: Mr. Chairman, I would like to ask the Minister whether he considers the deduction of expenses for lobbying and making representations more urgent than the plight of the mechanic in connection with these matters. If one has to await the report of the Carter Commission, surely the uncertainty of the application of the law in this regard raises some doubts about abuses, and so on. Cannot this provision be extended on a basis that will allow a deduction with regard to the tools with which a mechanic has to carry on his work? What is the Minister's answer in this respect?

Mr. Gordon: Mr. Chairman, I appreciate my hon. friend's argument about the mechanic and his tools. I have tried to answer him and there is nothing further I can say. I have sometimes been on the receiving end of lobbying and general representations. I think there is one going on at the moment, if I am not mistaken. I am rather sympathetic to the point of view the hon. Member has just put forward.

Mr. Monteith: The Minister is not by any chance using this as a way out because of not being able to allow the requests of certain lobbyists?

Mr. Southam: Mr. Chairman, I am just wondering whether the Minister has given consideration to the representations made tc the Royal Commission on Taxation last year by the Saskatchewan Wheat Pool Employees' Association on behalf of the employees of the Saskatchewan Wheat Pool engaged in the construction and repair of country grain elevators, annexes and cottages, and made with the full knowledge and support of the employer, the Saskatchewan Wheat Pool.

The Minister will recall that I have a private Member's motion on the order paper dealing with this matter. Apparently the complaint is that there is an anomaly in the Act with respect to the repair gangs that during the summer travel across the breadth and width of Saskatchewan to repair country elevators. The anomaly comes in because apparently the foreman of the gang who makes arrangements or contracts with the Wheat Pool, or any elevator company for that matter, for these repair jobs is exempt for income tax purposes with regard to food and other incidental expenses in the matter of travelling about the country, but the people he employs are not.

A foreman and any members of his gang are, in my estimation, in exactly the same capacity. This has been a complaint of long standing. There was a very lengthy submission made to the Royal Commission on Taxation on this matter, and I wonder whether the Minister has any observations to make in this respect.

Mr. Gordon: This is another of those difficult questions, Mr. Chairman. Expenses are allowed in the case of construction workers, and the fact that I think has got the Department into difficulty is that they are not allowed for some other kinds of workers. Not all the people my hon. friend has just mentioned come under the category of construction workers. I am not satisfied with the present divisions. I have not been able to come up with a clearcut answer that will be satisfactory in all cases. Again it is one of those things that I know is being studied by the Carter Commission. I do not know whether they have found a satisfactory answer. I hope their report will be available within a few months.

Mr. Southam: Mr. Chairman, might I suggest that the solution to this question would be just to include all members of these work gangs in the same category.

• (12:20 p.m.)

I think the answer is simple, but it is something that has been overlooked. More specifically, it is covered under section 11 (9) of part A of the Income Tax Act. I think

this would be the simple answer, if the Department would take the necessary action.

Mr. Lambert: Mr. Chairman, it appears to me, though I am subject to correction here, that there may be some difficulty in the drafting. Subclause (2) says:

Subsection (1) of section 11 of the said Act is further amended by striking out the word "and" at the end of paragraph (v) thereof and by adding thereto the following paragraphs:

I have an office consolidation for 1964 in my hand, and I find that a new paragraph (w) had been inserted in 1964. I would agree that the word "and" might have to go out, but what happens to "(w)"? Are there not some consequential changes which will have to be introduced in order to bring in the (x) (y) and (z), if (w) is to remain and we are to have continuity? The drafting is complex, but it does appear to me that a small error may have been made in the drafting here.

Mr. Gordon: Mr. Chairman, my officials assure me that everything is in order and that paragraph (w) does remain. Paragraph (v) remains, and these various other paragraphs are added after (w) which follows after (v).

Mr. Monteith: The "and" follows the (aa).

Mr. Gordon: That is right.

Clause agreed to.

Clause 3 agreed to.

On clause 4—*Limitation re advertising expense.*

Mr. Diefenbaker: Mr. Chairman, unfortunately I was absent when the vote took place with reference to this clause, but I want to make clear the stand I took on behalf of this party, which was unanimously accepted. Clause 4 is one of the most serious potential invasions of freedom that this country has ever seen. I also want to emphasize that while the press generally places the responsibility in this regard on the Minister of Finance, this is a Government measure for which the Government must accept responsibility.

On the last occasion I spoke I made a plea for further consideration of this question, and that it be held back by the Government; and I am going to repeat it. Indeed, I will go further and state that apparently the Prime Minister of Canada, according to information I have secured from those who have been strong supporters of this Government, has misled the representatives of the Canadian Daily Newspaper Publishers Association and given them an impression which is not borne out by the facts.

It is not the first time that we on this side of the House have seen under this Government deceptive and untrue statements made in the House of Commons, but this particular incident took place outside the House. I am going to refer to a statement made by the president of the Canadian Daily Newspaper Publishers Association which reveals a condition of affairs which cannot be condoned. In other words these representatives of the Association have been deceived, and deceived as the result of a statement made to them by the Prime Minister of Canada. I would say more were he present. I am going to refer to this statement because it shows an attitude of mind on the part of this Government that is not in keeping with parliamentary tradition or the ordinary principles that should prevail. On June 23 Mr. Graybiel said:

Last night—

That was the 22nd.

—I was asked to comment on the government's action in proceeding with press control legislation although the CDNPA had requested that such legislation be deferred until possible alternatives had been studied. My reply was "We are disappointed. We asked for time and we didn't get it".

I have been questioned as to why the CDNPA should expect the government to delay its legislative program.

He goes on:

On May 4, executives of the Canadian Daily Newspaper Publishers Association met Prime Minister Pearson and Finance Minister Walter Gordon—

The Minister was present, and he will get the opportunity to answer whether or not the statement of Mr. Graybiel represents the facts.

—to protest that the government's proposal was "a fundamental violation of long-established press freedom in Canada".

Following that meeting I wrote to Mr. Pearson: "You indicated to us yesterday your belief that there is some urgency in preventing foreign takeover of newspapers. Any immediate danger has, of course, been met by Mr. Gordon's announcement of the government's intention in his Budget address. No potential foreign investor will proceed with acquisition of a Canadian newspaper in the face of the government's stated intention to make advertising in such a newspaper taxable as of January 1, 1966. Presumably, that intention could be implemented by legislation at any time before the end of the year. Thus a breathing space of some eight months has been gained. That time can be devoted to exploration of alternative methods of achieving the government's objective.

That was a letter written to the Prime Minister setting out what had taken place.

What we are witnessing in the absence of the Prime Minister, who is in the United Kingdom, where he should be at this time, is that this legislation is being pushed through so the Government will be able to say "Well, really, the Prime Minister did not have an opportunity of making himself clear in this regard."

We want to know, Mr. Speaker, which newspapers are in danger of being taken over. The Minister of Finance has stated that the terrible danger of Canadian newspapers being taken over is imminent. While fearing for Canada's national identity, *Time* and *Reader's Digest* are placed in a position where they are set apart, given a kind of honorary Canadian citizenship wherein they are absolved from any of the dangers of which the Minister spoke. This legislation is just like bringing in law to prevent speeding on the highways because of the danger, and then restricting the law to those who go over 60 miles an hour. That is in reality what the situation is today, with $4 million of advertising going to these two companies.

• (12:30 p.m.)

So far as *Time* magazine is concerned, one has only to read the Canadian edition week by week to realize the change in view in the last few months so obviously in favour of the Government. It has been very clear and very definite. No Liberal newspaper dedicated to Liberalism could be so unobjective as *Time* magazine has been. Apparently this is the pay-off. I want to make it very clear that while it may be that this legislation is going to be put through, this is not going to be the last of the story. I read on:

Neither then nor since then did the Government question that assumption.

That is the assumption that nothing would be finally done for several months so as to enable the Canadian Daily Newspaper Publishers Association to make its representations and provide its alternatives.

On May 12 Mr. Pearson wrote me and, in fact, invited the publishers to suggest such alternatives.

The Prime Minister said this in his letter, as quoted by Mr. Graybiel:

"We will be more than glad to give further thought to any alternative which the Canadian Daily Newspaper Publishers Association would submit...I will be only too happy to give the fullest and most sympathetic consideration to any alternative method of expressing the same principles which your Association can recommend."

Mr. Graybiel goes on to say:

On May 14 I replied to the Prime Minister, accepting on behalf of the C.D.N.P.A., Mr. Pearson's request for alternative solutions.

[Mr. Diefenbaker.]

The following is in quotations:

"A meeting of the executive committee...has been called for June 15 to give further consideration to this matter. In the meantime I forwarded copies of your letter to each of the 104 members of the C.D.N.P A. requesting them to send me their comments and suggestions so that the executive committee may consider them."

Thus Mr. Pearson knew that the publishers were studying alternative proposals, knew that they believed they had eight months to achieve an effective alternative solution, knew that the next stage in the study was a meeting of the C.D.N.P.A. executive committee on June 15.

What a travesty of an agreement. The views of the C.D.N.P.A. conformed exactly with the views of the Prime Minister as set out in his letter. Mr. Graybiel went on to say:

In the face of that knowledge, the Government introduced its legislation in the House of Commons on June 14.

What is behind all this? Why this haste? Why not wait until the Prime Minister gets back so we can ask him, if we cannot get any information from the Minister of Finance, whether this is true? Mr. Graybiel goes on:

When I protested this hasty action, the officers of the C.D.N.P.A. were invited by the Acting Prime Minister, Hon. Paul Martin, to meet with him and Mr. Gordon in Ottawa on June 18. We pointed out that if the Government denied us the time to carry out the Prime Minister's invitation to supply alternatives, and proceeded with the legislation, the achievement of any alternative solution would be virtually impossible. The study which the C.D.N.P.A. had undertaken at the Prime Minister's request would be meaningless. Following this meeting the Government went ahead and the bill received second reading in the House last night.

Then he goes on to say:

I think this statement of facts makes it clear why the C.D.N.P.A. asked that action be deferred and why we were disappointed that our request was not granted. We were only trying to do what we had been invited to do by the Prime Minister and only requesting the time for our study which we had been led to believe was available to us.

That is the way the last line appears in the statement, but it has been suggested to my office that the last line should read "which we believed was available to us".

What is the rush? Are these newspaper proprietors parasites? Are they not Canadians entitled to the consideration which it was agreed should be given to them? Why this rush? What is going on? Who is going to benefit? What is behind this? Are certain American magazines forcing action at this session? Is that the reason? Is one of the reasons, if you do this we will do that? It is difficult to understand what is behind this.

I am not going to go over the facts I have dealt with on previous occasions, but over the

years I have never seen the Winnipeg *Free Press*, which has supported this Government, take such a stand. I do not want to see the Minister of Finance pilloried and placed in this disgraceful assortment of people whose pictures appear here. The whole Government should be there.

Mr. Moreau: Yellow journalism.

Mr. Diefenbaker: Did someone over there say "yellow journalism"? Where is the person who said "yellow journalism"?

Mr. Moreau: I did.

Mr. Diefenbaker: The hon. Member for Scarborough speaks of yellow journalism in regard to the *Free Press* which has always supported the Government. Is it yellow journalism that would cause the *Free Press* to take this stand? Does he say that the Toronto *Globe and Mail* is guilty of yellow journalism? I am asking him, does he say that?

Mr. Moreau: No.

Mr. Diefenbaker: No; he lives in Toronto, where he wants votes.

Mr. Moreau: On question of privilege, Mr. Chairman, I referred to the article which the Leader of the Opposition was holding in his hand at the moment, and I suggest that it was an example of yellow journalism. I referred to no other.

Mr. Diefenbaker: Mr. Chairman, the hon. gentleman has had to back up. He always runs, sometimes to Hull. If he wants particulars I can give him a little more on that score. He speaks of yellow journalism. I have before me the *Free Press* which contains an article headed "Press Control Has A Long History". There is a picture of George III with the words underneath "He taxed advertising", a picture of Hitler with the words "He jailed editors", a picture of Benito Mussolini with the words "He built a subservient press", a picture of Joseph Stalin with the words "He made the press a government mouthpiece", a picture of Juan Peron with the words "He closed down newspapers", a picture of Fidel Castro with the words "He exiled editors". The hon. Member says I am looking at a yellow press. I am glad he said that, since it gave me the opportunity to ask whether the *Globe and Mail* was a yellow press. He would not say so. He would rather get out of Ottawa and go to Hull.

Mr. Byrne: What is wrong with going to Hull?

Mr. Diefenbaker: I refer now to the *Globe and Mail*, and I would ask the hon. gentleman whether this too is yellow journalism. On June 24 the Globe had an editorial headed "To Serve His Obsession". I do not like this because it identifies the Minister of Finance as being the perpetrator of this scheme. He is not. They sit around him. It is these seven or eight former bureaucrats and civil servants who have thought this through. So far as the newspapers are concerned, nobody asked for it. Nobody has requested it. What is the reason? The *Globe and Mail* says:

> Finance Minister Walter Gordon, wielding the big stick "pass this legislation or we'll take you to an election" has forced through second reading in Parliament the bill which will introduce censorship of the press through control of its advertising.

Mr. Gordon: Mr. Chairman, I wonder whether the right hon. gentleman would allow me to raise a question of privilege.

The Acting Chairman (Mr. Tardif): The Minister of Finance on a point of order.

• (12:40 p.m.)

Mr. Gordon: No, a question of privilege. I am sure the right hon. gentleman would want the statement from which he has been reading to be correct, so perhaps he might be kind enough to table it.

Mr. Diefenbaker: Oh, yes.

Mr. Gordon: Perhaps, at the same time—

Mr. Diefenbaker: I will not only table it, I will make it an exhibit if the hon. gentleman wishes.

Mr. Gordon: Perhaps at the same time, Mr. Speaker, I may have permission to table a telegram which I have just received from Mr. Richard Graybiel, who asks that a correction be made—

Mr. Diefenbaker: What is going on?

The Acting Chairman (Mr. Tardif): Order. The Leader of the Opposition has the floor, and so far as I know that is not a question of privilege.

Mr. Diefenbaker: This gives you an idea of the disregard of the hon. gentleman for parliamentary rules. He has asked me if I would table this document. I should like to table it, and I should like to ask that it be appended to *Hansard*, but I know that would not be proper. I cannot believe that anything would be more beneficial in showing up this Government than that document. If the hon. Member wants it tabled I am going to ask, at the conclusion of my remarks, that his request be granted.

I was reading a moment ago from the *Globe and Mail* which says that Mr. Gordon has two obsessions which are most dangerous for Canadians. They say he is obsessed with a fear of United States domination of the Canadian economy to the point where he may well, with ill judged, punitive measures, force the United States to assert that dominance and reduce Canada either to a dependency or a depression. The editorial says he is obsessed with the idea that he alone knows what is good for Canadians. I cannot accept that statement on the part of the *Globe and Mail*. It is not he alone but those who sit around him, those former bureaucrats. They are the ones who know what is good for Canada.

We only have to read what is happening according to the latest financial statements issued by the Government to illustrate this point, and to understand the effect of this tinkering with United States investment in Canada. The Dominion Bureau of Statistics reports reveal a reduction in investment capital for the first quarter of this year to $188 million as compared with $337 million last year. One has only to realize that as a result of this kind of tinkering, this kind of obsession—not on the part of the Minister because he does not have an obsession, just a brainstorm—they are bringing about a situation dangerous to the Canadian economy. According to the Dominion Bureau of Statistics reports the current account deficit for the first quarter is 19 per cent above last year, the highest first quarter deficit in the 1960's. These are things with which the Government should be dealing. Imports are increasing at a fabulous rate and exports at a much lower rate.

Mr. Gordon: I rise on a point of order, Mr. Chairman. The right hon. gentleman was kind enough to point out that I am not very familiar with the rules. May I point out to him that we are dealing with clause 4 of this particular bill.

Mr. Diefenbaker: The hon. gentleman was talking to the Minister of National Revenue and was not following me. I was pointing out that these are the effects of the tinkering this Government is doing; that is what I was pointing out. As a result of the policies of this Government we are placing our trade position in a very serious light.

I am going to ask the Minister whether or not a complaint was received from the United States, directly or indirectly through the External Affairs Department, that if this legislation goes into effect, it discriminates in favour of two United States magazines and constitutes a contravention of GATT. I want to get an answer as to that, because it certainly took place in 1964. The United States treasury secretary, Douglas Dillon, when he attended the Canada-United States ministerial conference in Ottawa on April 30, reportedly suggested that the Canadian magazine protective proposal was discriminatory, that it was discrimination in trade policy in violation of GATT, and that the United States may seek equivalent concessions in other tariffs.

[Mr. Diefenbaker.]

We have stood against this. We made a very reasonable request that the matter be held up. The Prime Minister gave his undertaking to the Canadian Daily Newspaper Publishers Association, and the Minister of Finance was present. They are breaking that undertaking, and we ask why. What is the reason for this, can you tell me? I quote some of the headlines in the daily newspapers: The Winnipeg *Free Press*, "Freedom of Press Now in Danger in Canada"; the Guelph *Mercury*, "Press Throttling to Injure Canada"; the Windsor *Star* of June 17, "Please, Mr. Gordon, Stick to the Facts". Another article in the Windsor *Star* of June 23, which throughout the years has given such support to the Liberal Party, has a headline "Arrogance and Hypocrisy". Lest anybody misunderstand to whom these words were directed, it was the Government of Canada of today. The article reads, in part:

> In 1957, a Liberal Government in Ottawa fell because it had become too arrogant.

Then the article goes on to deal with the present situation and says:

> That is why the Publishers Association, whose president is Richard Graybiel of the *Star*, appealed to the Government not to proceed with the Bill. Prime Minister Pearson asked the publishers to suggest an alternative solution to the problem. All they asked in return was time to study possible alternatives. It wasn't much to ask when so vital an issue as freedom of the press is at stake.

I repeat those words, that it was not much to ask when so vital an issue as freedom of the press is at stake. I continue quoting:

> That request has been denied. Disregarding the sincere desire of the publishers to find a method that would achieve the Government's objective without endangering press freedom, Mr. Gordon is forging ahead with his legislation.

It is not Mr. Gordon who is doing it, it is this whole Government.

> That is arrogance.
>
> The reason advanced by Mr. Gordon for his haste in pursuing the measure is hypocritical. He

says that if the Government doesn't act now, some Canadian newspaper may be bought by foreign interests, and then it will be too late to act.

Does he know of any? The Moose Jaw *Times-Herald,* not a newspaper which gives us support, has a headline which says, "Opposition Leader Right in Opposing Tax Law". The Oshawa *Times* has a headline which reads "Bureaucratic Bumbling can Jeopardize Freedom". The editorial states:

—Mr. Gordon's latest gimmick must be protested strenuously by all Canadians and opposed most vigorously by our representatives in the House of Commons. Despite his facetious flare for knowing what's best for us, Mr. Gordon has made grave mistakes since assuming the finance portfolio. Canadians can ill afford to permit him to bumble into another which at any time could endanger our freedom of information.

• (12:50 p.m.)

Why not, even now, keep the word that was given to these publishers, so called the yellow press by the hon. Member for Scarborough.

Mr. Moreau: Mr. Chairman, on a question of privilege, I made it perfectly clear on an earlier point of privilege that I referred to the article which was in the Winnipeg *Free Press,* and which the Leader of the Opposition was waving, as yellow journalism. I think that was an example of yellow journalism. I made no reference to any other editorial comment in any other newspaper, and I want to make that perfectly clear. The hon. gentleman knows that.

As to his references to my personal conduct, when he referred to my going to Hull, as he knows perfectly well my personal conduct was not in question at all. I think that is pretty disgusting on the part of a man who was a former Prime Minister.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Well, Mr. Chairman, I must say that the hon. gentleman feels most keenly. That was one voyage for discovery that he wants us to forget. I do not know what he is talking about. He apparently knows of something I am not fully aware of which causes him to be so aroused over that visit to Hull.

Mr. Byrne: Cheap.

Miss LaMarsh: You cannot get much lower.

Mr. Diefenbaker: The hon. gentleman makes his best contributions in this House while still sitting down.

Mr. Byrne: I certainly make a better contribution than you. That is a cheap interjection on the part of a former Prime Minister.

The Acting Chairman (Mr. Tardif): Order, please.

Mr. Diefenbaker: What was said in the Winnipeg *Free Press* was described as yellow journalism. That was the article headed "Press Control has a Long History." I have read from various papers that have come to hand in recent days. The *Standard-Freeholder* of Cornwall says, in an article headed "Threat to Freedom of the Press in Government's Proposed Law":

Thinking Canadians from coast to coast have expressed justifiable concern over finance Minister Gordon's proposed legislation on foreign ownership of Canadian newspapers and magazines. Any suggestion of government control over the freedom of the press is viewed with dismay and alarm. Regress instead of progress.

It ends up by saying:

Freedom of the press is everybody's right, everybody's privilege to enjoy. It is cherished and must be guarded zealously.

The Canadian Government must not disregard its citizens' rights; rights won in long-fought battles. The newspaper ownership proposal could be the first break in the solid freedom front.

I doubt the constitutionality of this legislation. I doubt that the courts would uphold it; for when we brought in the Bill of Rights for the first time in Canada's history freedom of the press, recognized as being within the jurisdiction of the federal Parliament, was provided for as basic. I would certainly consider that this legislation, if passed, would be a contravention of the Bill of Rights, which continues to be in effect not only in respect of legislation passed prior to its enactment but of all legislation that will be passed so long as it is on the statute books.

I have made my appeal for reconsideration of this matter. I have asked the Government to carry out its pledged word, that is all. It did not give the word to me. It gave the word to the Canadian Daily Newspaper Publishers Association. No harm will be done because, as was stated in one of the articles, if the matter is allowed to remain in abeyance no U.S. corporation or any other foreign corporation would think of coming in to make purchases during the next eight months, with a matter like this hanging over for further consideration.

I have made my appeal. I can do no more, but I regard what is being done in this case as potentially the grossest invasion of freedom that has ever been before this House since 1867.

Some hon. Members: Hear, hear.

The Acting Chairman (Mr. Tardif): The hon. Member for Nanaimo-Cowichan-The Islands.

Mr. Diefenbaker: Before the hon. gentleman speaks may I point out that the Minister of Finance asked if I would table this, and I want to do that if I may have consent.

Some hon. Members: Agreed.

The Acting Chairman (Mr. Tardif): Actually the formal tabling of the document would have to take place when the Speaker is in the Chair. I think it should be proposed at that time.

Mr. Diefenbaker: All right.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Chairman, we have heard a great deal about the freedom of the press in the last half hour. I notice that the freedom of the press has been exercised latterly in reporting the expedition of the right hon. gentleman to the beautiful part of the country from which I come. I believe it was reported that he caught a cod, but no one told us he also brought back a whole bucket full of red herrings.

There seems to be some confusion as to what the meaning of freedom of the press is. I have always taken it for granted that the freedom of the press involves the right of a Canadian citizen to publish news that is not obscene and that is not libelous, to publish opinions on public affairs that are not obscene and not libelous, and that it has nothing whatsoever to do with the question of the ownership of the means by which these views are disseminated.

We have before us a measure which does attempt to curb, shall we say, some of the business freedom of those who own the properties of mass communication. Nowhere that I can see is there any suggestion whatever that powers are being conferred upon the Minister of Finance, or any other dignitary, to dictate the editorial policies of any paper. But the Minister is taking steps to try—I think rather ineffectively—to prevent these organs of public opinion falling into the hands of non-Canadians and thereby being at their disposal to disseminate views, ideas and opinions that may not be in the best interests of Canada but may be in the interests of some other part of the world.

This does not seem to me to be any intrusion into the freedom of the press. It seems to me to be merely a wise precaution to make sure that if we are going to have opinions widely disseminated, they will be disseminated by fellow Canadians.

Mr. Diefenbaker: Then what about *Time* magazine?

Mr. Cameron (Nanaimo-Cowichan-The Islands): I am coming to *Time* magazine and I am going to give you an opportunity, Mr. Leader of the Opposition, to state your position quite clearly on *Time* magazine later, to go on record about it at least in this Chamber. I am coming to that in a few minutes but I suggest, Mr. Chairman, if the Leader of the Opposition had really been concerned about freedom of the press he would have criticized the Minister and the Government, not for precisely this measure that is before us but because they have not brought before us some comprehensive legislation to deal with the increasingly important question of mass communications in the modern age.

I myself would criticize this legislation, and have already done so, on the ground that it is too narrow; that while it may prevent Canadian advertisers advertising in U.S. owned newspapers and periodicals, except the two mentioned by the Leader of the Opposition, it makes no provision whatever to prevent advertising of that sort over U.S. television and radio stations, and I suspect one of the results of this legislation will be to cause a great many Canadian advertisers to make even more pronounced use of U.S. television and radio than they do at present. This is one of the points on which the legislation can be criticized.

• (1:00 p.m.)

But we should not confuse the issue by bringing in preposterous nonsense about it being an intrusion on the freedom of the press, because it is not. There is no question of that at all. I have spoken to many working newspapermen—I have not spoken to any publishers, because I do not know any; I do not move in those circles—but the working newspapermen to whom I have spoken snort derisively at the suggestion that the proposals put forward by the Minister of Finance constitute in any way interference with the freedom of the press. On the other hand, they say to me "If you want to do something about the freedom of the press, why don't you do something to prevent these wholesale amalgamations of newspapers? Why don't you use the Combines Investigation Act to halt a process which leads to the same views appearing in newspapers from coast to coast?" Newspapermen who know the side on which their bread is buttered are

very careful before writing stories which conflict in any way with the known views of their publisher. It is situations such as these which in reality affect press freedom.

The Leader of the Opposition suggested there was great danger in this legislation, and that we could see the results of this danger in this morning's papers which contained the D.B.S. figures on the increase in the current deficit account. I had intended to ask the Minister of Finance to comment on this matter today, but so much of the time available during the question period was taken up by the Leader of the Opposition that I had no opportunity to ask the question. I thought it was a very serious matter. Apparently the Leader of the Official Opposition did not, because in spite of his numerous opportunities to ask questions, opportunities which those of us in much inferior positions lack, he did not ask the Minister of Finance to comment on this disturbing development, as I consider it to be. But to suggest that this has been brought about by the possibility that a United States publisher who might have wanted to buy a Canadian newspaper now finds he cannot do so, is utter nonsense.

The Leader of the Opposition has asked "What about *Time* and *Reader's Digest*?" What, indeed? I have already spoken twice on this matter, suggesting that attempts to free Canada from the dissemination of editorial opinion and slanted news coming from outside this country are utterly useless—and I suppose that is the purpose of the present legislation as a whole—if at the same time we are to make special provision for the two foreign periodicals which have the largest circulation in Canada. I propose to give the Leader of the Opposition the opportunity to record his objection to this policy and his deprecation of this dereliction of duty on the part of the Minister of Finance. In fact I intend to move:

That clause 4 be amended by deleting subparagraph (2) from the proposed new Section 12-A, and by renumbering the succeeding subparagraphs.

Mr. Gordon: A similar motion was moved at the resolution stage and was ruled out of order. I would merely like to submit that if it was out of order then, it is out of order now.

Mr. Knowles: Mr. Chairman, the situation at this moment is not exactly the same as it was at the resolution stage, despite the remarks made by the Minister of Finance. At the resolution stage we were dealing with the budget resolution preceding the Income Tax Act amendments. We had before us at that time a resolution which consisted of 19 paragraphs. Those paragraphs in their entirety covered all the proposed amendments to the Income Tax Act. We were told we had to deal with that resolution at one fell swoop. We tried to amend that resolution to strike out a limited portion of one of these 19 paragraphs. We were told we could not do this because the resolution stood or fell in its entirety.

Now we have before us, not 19 paragraphs but just the one subject set out in clause 4 of the bill. It is the question of the deductibility for income tax purposes of advertising in periodicals and newspapers. We feel we should have the right to deal separately with separate aspects of this one question. The one question—I will identify it again—is advertising in periodicals and newspapers. But this one question is complicated. It has a provision for deductibility for advertising in periodicals. Then it has an exception to that rule. Further, it has a provision for deductibility for advertising in newspapers, and later there are certain qualifications. We feel we should have an opportunity in committee of the whole to register our views on these separate aspects of this one question.

There is a rule, Mr. Chairman, of which I am fully aware, Standing Order 78(1), which says:

In proceedings in Committee of the Whole House upon bills, the preamble is first postponed and then every clause considered by the committee in its proper order; the preamble and title to be last considered.

That Standing Order has been slightly amended on a provisional basis, but the point I am making is not altered. I am recognizing the fact that when a clause is put to us we have to vote on the clause as a whole. We do not have the right to ask Your Honour to call a clause in its separate parts.

But though it may be difficult to make an appeal of this kind, I do appeal to common sense. Surely if there is before us a matter which has several aspects, we should have the right to register our opinions on those several aspects. Let me narrow them to two and leave out for the time being the question of advertising in newspapers. Let us deal solely with the question of advertising in periodicals. Subsection (1) of the proposed new section 12A provides for non-deductibility for advertising in foreign owned periodicals. Subsection (2) provides for an exception to that rule so it does not cover *Time* and *Reader's Digest*. We feel that in

terms of common sense we ought to be able to vote separately on the question of the non-deductibility of advertising and on the question whether or not this special exception should be made in the case of the two magazines I have mentioned.

• (1:10 p.m.)

I said, Mr. Chairman, that I was making an appeal to common sense, but I make one other appeal. I remind you, Sir, of citation 200, paragraph 4, of Beauchesne's Fourth Edition, which is to be found on page 168:

> A motion which contains two or more distinct propositions may tbe divided so that the sense of the House may be taken on each separately.

I am sure that to you, Sir, that citation will have a familiar ring. It reminds you, as it reminds all of us, of a rather lengthy debate that we had in the House last session on the question of a national flag. You will remember, Sir, that the Government brought in one resolution in which it proposed at one and the same time a national flag for Canada and the recognition of the Union Jack as our Commonwealth flag. You will recall the point of order that was raised with respect to this matter and that that point of order was based essentially on this very citation. I read it again:

> A motion which contains two or more distinct propositions may be divided so that the sense of the House may be taken on each separately.

Mr. Speaker—we were in the House at the time—after listening to considerable debate, and after showing that he had done considerable homework on the matter himself, was of the opinion that the House had the right to vote separately on those two propositions. Related though they may have been, because they were distinct the House had the right to vote on them separately. Therefore the one resolution that had been placed before the House was, by Mr. Speaker himself, divided into two.

I submit that if it was possible for the House to be given the common sense right to vote separately on those two propositions, we should have the same common sense right to vote separately on the proposition, on the one hand that there should be a general rule regarding the non-deductibility of advertising in foreign owned magazines, and on the other hand on the exception to that rule that is set out for *Time* and *Reader's Digest*.

This is what we feel should be done. If it were at all possible for us simply to ask you to call clause 4 in its constituent parts,

taking (1), (2), (3), (4), (5), (6) and (7), of course that would be very simple; all we would have to do would be to vote against subclause (2), the one that provides for the exception. But there they are, seven different clauses, each with a distinct and separate idea. Yet we are told by the terms of Standing Order 78(1), and by implication in the position taken by the Minister of Finance, that we have to vote on all these things at once; that we have to vote for the bad because we want the good, or vice-versa. We submit that there should be a way for us to have the right, the common sense right that is set out in citation 200(4), the common sense right that was given to this House by Mr. Speaker in the flag debate, the common sense right to vote separately on these distinct propositions.

It is a complicated question; there is no doubt about that. We have magazines on the one hand, newspapers on the other, and with respect to magazines the general rule and then the exception. To ask grown up men and women in the House of Commons to vote on all of this as one deal, without the right to express our opinion on the separate portions of it, we submit just does not make sense at all. That is why we have submitted this amendment asking that there be the opportunity to vote on the deletion of the portion of clause 4 of which we do not approve. We are not suggesting any change in the taxation rates; we are not suggesting any change in the principle that the Minister of Finance as a Minister of the Crown has brought down. We are just proposing a procedural means of getting the chance to vote separately on this one question, namely shall *Time* and *Reader's Digest* be exempted from the general rule that the Minister has brought in? That is the reason for the amendment moved by my colleague the hon. Member for Nanaimo-Cowichan-The Islands, which simply asks that subparagraph (2) of the proposed new section 12A be deleted and that the succeeding paragraphs be renumbered accordingly.

Mr. Pennell: Mr. Chairman, unless I misconstrued the position respecting the amendment that was proposed earlier during the debate on this income tax bill, it was my understanding that it was rejected then because it would upset the balance of ways and means. The intent of the amendment proposed today would have the same effect. If the proposed amendment was rejected the other day, when we were dealing with the

resolution stage, because it would upset the balance of ways and means, surely the fact that we happen to be in the clause by clause discussion of the bill does not upset that principle. The same principle applies. If it upset the balance of ways and means at the resolution stage, surely it upsets the balance of ways and means when we are now in clause by clause discussion.

The other point which I wish to put very shortly is this, and it has in fact been made by the hon. Member for Winnipeg North Centre. Under Standing Order 78(1) every clause shall be considered by the committee in its proper order. The hon. Member puts forth the proposition that this clause now contains various aspects and hon. Members should be entitled to consider each aspect by itself. Surely when Standing Order 78(1) was drafted the House was aware of the fact that from time to time clauses might have several aspects in them, but they drafted the order to say that every clause shall be considered as a whole. Therefore in my submission, Mr. Chairman, the amendment is out of order.

Mr. Knowles: Mr. Chairman, I wonder whether I may ask the Parliamentary Secretary a question. My question relates to the first part of his argument, namely about upsetting the balance of ways and means. Is it not a fact that if the Committee were to vote against clause 4 as a whole, thereby defeating it, we would be upsetting the balance of ways and means? So what difference is there between upsetting the Government's balance of ways and means by defeating the whole measure and defeating a portion of the measure?

Mr. Orlikow: He wants to get off the hook of voting. That is the real point. It is simple.

Mr. Pennell: Mr. Chairman, when the amendment was moved at the resolution stage we considered every aspect of this particular clause and in essence considered the identical question being posed today. I suggest that the same principle applies as far as the intent of this amendment is concerned.

Mr. Knowles: Mr. Chairman, does the Parliamentary Secretary not recognize that at the resolution stage we had a 19-paragraph resolution with all the income tax changes in it, whereas all we have now is one clause dealing only with taxation in respect of advertising in newspapers and periodicals.

Mr. More: On a point of order, Mr. Chairman, could we have the business conducted by the Chair and through the Chair, rather than this private dialogue that is going on now?

Mr. Knowles: I object to that, Mr. Chairman. I was addressing the Chair and asking through you, Sir, a question of the Parliamentary Secretary.

The Chairman: This is the way the Chair understands the situation. An objection to the amendment was made by the Parliamentary Secretary to the Minister of Finance, and the hon. Member for Winnipeg North Centre tried to find a way out of the rather strong argument posed by the Parliamentary Secretary. If there are no other contributions to the point of order, the Chair believes that it is in a position now to make a ruling.

Mr. Barnett: Mr. Chairman, if I may I would like to address a question to the Parliamentary Secretary. I was quite alarmed by what I understood to be a remark he made just a moment ago, and I would like to be sure that I understood him correctly. As I understood it he suggested that having dealt with this question at the resolution stage, we could not deal with it when we were in committee of the whole. My question is, is the Parliamentary Secretary trying to suggest that all there should be to the passing of legislation in the House is that we pass a resolution, and that is the end of it; that we abolish second reading, committee of the whole and third reading; that every time the Government puts a proposition before us and we talk about it in a vague way at the resolution stage, we then either accept it or reject it and that is the end of it?

• (1:20 p.m.)

Mr. Pennell: With all respect to the hon. Member, he is putting an extravagant interpretation upon my words. I merely said—

The Chairman: Order.

Mr. Pennell: —that it was my respectful submission that a certain principle—

The Chairman: Order, please. There is not very much added to the subject matter under discussion by the exchange which has taken place between the hon. Member for Comox-Alberni and the Parliamentary Secretary.

The argument advanced by the hon. Member for Winnipeg North Centre in support of the amendment proposed by the hon. Member for Nanaimo-Cowichan-The Islands is very interesting, but I suggest that it does not go to the substance of what is now before us. As the hon. Member knows very well,

when a similar amendment was previously introduced during the course of this debate it was ruled out of order by the Chair, as reported in *Hansard* for June 15 at page 2468. With great respect I suggest that the principles referred to by the Chair at that time apply equally at this time, and perhaps I might be allowed to quote myself at this stage. I said:

I believe it is well known to hon. Members that when an amendment proposes to set aside a measure designed to provide relief, that amendment in effect imposes a tax and should not be accepted by the Chair. Citation 265 (1) of Beauchesne is relevant:

"No Member other than a Minister of the Crown may introduce a Bill for the reduction of duties".

Actually this clause with which we are dealing at the moment provides an exemption from taxation. By adopting the amendment proposed by the hon. Member for Nanaimo-Cowichan-The Islands we would indirectly be restoring this tax. I suggest to the hon. Member that this is not allowed by the standing orders and rules of the House.

I would also refer hon. Members to citation 270 (2) of Beauchesne's Fourth Edition:

An amendment to enlarge a class of articles on which duties are levied cannot be moved to the Tariff Act by a private member

For these reasons, with great respect I must rule that the amendment proposed by the hon. Member cannot be accepted by the Chair.

Mr. Cameron (Nanaimo-Cowichan-The Islands): With the very greatest respect, Mr. Chairman, and under the provisions of Standing Order 59 (4), I beg leave to appeal your ruling to Mr. Speaker.

Mr. Deputy Speaker resumed the Chair and put the question as follows:

According to the new standing orders to which the hon. Member has alluded, an appeal now lies from the Chairman to the Deputy Speaker.

While in Committee of the Whole the Committee considered clause 4 of Bill No. C-118, an Act to amend the Income Tax Act and Federal-Provincial Fiscal Arrangements Act.

In amendment thereto the hon. Member for Nanaimo-Cowichan-The Islands proposed:

That clause 4 be amended by deleting sub-paragraph (2) from the proposed new section 12A and by renumbering the succeeding sub-paragraphs".

The Chair ruled that the amendment could not be accepted and referred particularly to the ruling of the Chair made on June 15, 1965 as follows:

"I believe it is well known to hon. Members that when an amendment proposes to set aside a measure designed to provide relief, that amendment in effect imposes a tax and should not be accepted by the Chair."

Citation 265 (1) of Beauchesne was referred to by the Chair at the time and it reads as follows:

"No Member other than a Minister of the Crown may introduce a Bill for the reduction of duties".

The decision of the Chair in Committee of the Whole was that clause 5 provides for an exemption from a tax, and that by adopting the amendment proposed by the hon. Member for Nanaimo-Cowichan-The Islands we would indirectly be restoring a tax. From this decision an appeal was made to the Speaker.

I am sure the hon. Member will understand that it is very difficult for the Deputy Speaker, under the present circumstances, to rule against the good judgment of the Chairman of the Committee of the Whole. Therefore he must confirm the decision reached by the Chairman of the Committee of the Whole.

Mr. Knowles: Does Your Honour not think you should take the matter under advisement?

Mr. Deputy Speaker: The Chair has declared the ruling confirmed.

Mr. Diefenbaker: Mr. Speaker, Solomon in all his glory never equalled that.

And the House having resumed in Committee:

On clause 4—*Limitation re advertising expense.*

Mr. Gordon: Mr. Chairman, before clause 4 is put to the vote I should like to reply very briefly to two points which were made by the Leader of the Opposition in his remarks. I say very briefly, because this matter was fully debated at the appropriate time when the bill was before the House on second reading.

The first point made by the Leader of the Opposition was in regard to *Time* and *Reader's Digest.* I sometimes wonder whether the right hon. gentleman's memory is as good as it should be. He was complaining about the exemption and yet, as I recall it, it was his Government which was the first to propose an exemption for *Time* and *Reader's Digest.* It was not exactly the same as the present exemption; nevertheless the principle was the same. He is now taking another tack. He is almost standing on his head, if I might put it that way. If I were tempted to ask the kind of rhetorical questions in which he sometimes indulges, I might ask him why this change of tune.

The point I wanted to make seriously—because while the other is serious we have covered it before—is in reply to the statement issued by Mr. Richard Graybiel, the president of the Canadian Daily Newspaper Publishers Association. Perhaps I might be

[The Chairman.]

permitted to remark that Dick Graybiel is a very old personal friend of mine.

Mr. Orlikow: He was.

Mr. Gordon: We are the kind of friends who remain friends despite honest differences of opinion about this or any other matter. I can say that on my part and I am equally sure I can say it on the part of Mr. Graybiel. It is a friendship which I happen to value very much.

The Leader of the Opposition, to my surprise, said that the Prime Minister had deceived—and he used the word "deceived"—the Canadian Daily Newspaper Publishers Association. If I may say this to him, I think he makes these loose charges too frequently. If there is any excuse for him on this particular occasion it may be in the wording of the last sentence of Mr. Graybiel's widely distributed statement, particularly in the last clause in that sentence. The sentence reads:

• (1:30 p.m.

We were only trying to do what we have been invited to do by the Prime Minister and only requesting the time for our study—

Then there is this phrase: "which we had been led to believe was available to us". I was surprised at that last phrase. I think there is always room for misunderstandings but I thought that the use of those words was perhaps going farther than was justified, and I may say I was present at the meeting. Mr. Graybiel is an honest and very fairminded man. During the course of the right hon. gentleman's remarks I received a telegram from Mr. Graybiel which I tried to get permission to read at the time and in the context of the other statement. The telegram is addressed to me and reads as follows:

Correction. Please alter last line of statement attached to my letter—

He sent the statement to me with a letter.

—to read: "which we believed was available to us".

He requested that these words be substituted for the words I have already mentioned, "which we had been led to believe was available to us". I suggest that there is every difference in the world between those two phrases. I acknowledge that there is always room for misunderstandings in a verbal conversation which takes place over the period of an hour. I regret very much the fact that the representatives of the Canadian Daily Newspaper Publishers Association went away with an impression which differed from mine. However, I hope I have cleared up this point or rather that Mr. Graybiel has cleared it up. There was certainly no deception. It was a misunderstanding which I am sure both sides will regret. Apart from that, Mr. Chairman, I do not think there is anything I need to add to what has been said.

Mr. Diefenbaker: Mr. Chairman, I want to point out immediately that when I read the Graybiel communication into the record I read it with the change in question. I said it has been altered. But, Mr. Chairman, there is no difference except in verbiage. The fact still remains that the whole body of the statement indicates that there was never a clearer revelation on the part of anyone as to the understanding which the Canadian Daily Newspaper Publishers Association had. The only deviation is in the last line and there is not very much difference between the two phrases. But I did use the altered form when I read the statement into the record.

When the hon. gentleman says that I am standing on my head I do not want to enter into competition with him. He has established a record in that regard that makes me quite concerned that he should ever suggest that I would be guilty of the same thing, because from the day he became Minister of Finance he has shown an aptitude in that connection that has never merited comparison in the House of Commons throughout the last 25 years. The only difference between those who do this as a profession is that they are actually on their heads while he is standing on his feet when he utters these views. But that is an aside.

The Minister says he cannot understand the change of front. There has been no change of front. We set up a Royal Commission for the purpose of looking into a cause of complaint, but not from the newspapers of Canada. The newspapers have never asked for this legislation. They do not want it. They are being forced into a strait-jacket by a Minister who along with the Government must have some reason for doing something which has not been requested by the newspapers across Canada with the exception of not more than one or two.

Why is this being done? The Minister says he explained it earlier. I have read every line of his explanation and at no time has he placed the reason before the House or the Canadian people. Strong representations were made by *Maclean's* magazine and by other Canadian magazines that it was impossible for them to compete against masquerading Canadian magazines whose material was

prepared outside the country and then brought into Canada. They asked for some measure of protection against an invasion that could not be justified, an invasion of those from another country who, pretending to be Canadian, are actually placed in a category that denies fair competition.

The O'Leary Commission said that action would have to be taken if we were to maintain a Canadian quality, a Canadian identity. Evidence was heard for a lengthy period of time and finally the recommendation was made that advertising in these magazines should not be credited in determining income tax by Canadian advertisers. That went a long way. We looked into the matter, discussed it from every angle and concluded that the only way to preserve Canadian magazines against this unjust competition would be to make changes in the credit, and I think the credit arrived at was to be 50 per cent.

What is being done now is to place these magazines on an equal basis with all Canadian magazines. Do not tell me that *Time* magazine looks at the Canadian scene as a Canadian magazine. All you have to do is to take the international edition of *Time* distributed round the world and see how often Canada is mentioned. I doubt that there has been more than a passing reference to Canada in the last 10 issues of international *Time*. Canada receives less attention than does a republic with 300,000 population. Yet *Time* is able to bring in all this material against which Canadian magazines cannot compete. In order to preserve the Canadian identity we took this course to protect Canadian magazines in Canada against an impossible situation.

But what is being done now? *Time* and *Reader's Digest* are being placed in the top category. They are being given honorary Canadian citizenship. They are being placed above all other magazines that may come into Canada. In addition, the newspapers of Canada are to be under the domination of a law that says you shall not dispose of your interest in any Canadian newspaper. Nobody asked for it. Why is it being done?

I conclude my remarks by saying that in a period of two years and two months we have had more fancy, socialistic tinkering going on on the part of the Government than any socialist government could ever have thought of, had it been in office.

Mr. Orlikow: Mr. Chairman, I rise to say a few words on this matter, partly because of the ruling you made with regard to the amendment proposed by the hon. Member for Nanaimo-Cowichan-The Islands. I do not want to be critical of the Chair because we on this side have found you, Mr. Chairman, to be eminently fair, and I am sure the ruling you made was made on the basis of your consideration of the rules as you understand them. But I want to say that I think your ruling was a very happy one for Members on the other side. Members like the hon. Member for York-Scarborough, the hon. Member for Carleton and the hon. Member for Northumberland like to consider themselves as being Liberals with a small "l". They will be very happy with the fact there is no need for them to put themselves on record in support of this fantastic and completely irresponsible recommendation made by the Minister of Finance. They are happy about that because nobody will be able to point to *Hansard* and say that on such and such a date these Members voted for making *Time* and *Reader's Digest* honourary Canadian citizens. Your ruling, therefore, was a very fortunate one for them.

[Mr. Diefenbaker.]

• (1:40 p.m.)

Some of us knew the Minister of Finance before he came to this House. It seems to me that when he was the president of the Canadian Institute for International Affairs and when he wrote that famous book which he probably wishes now he had never written, "Troubled Canada", when he expressed concern about keeping Canada for Canadians, while we may not have agreed with everything he said, he at least showed some concern with some of the major problems, and attempted to come up with some answers. What we have today, Mr. Chairman, I submit is a complete capitulation on the part of the Minister of Finance to the political needs and desires of the Liberal Party. How could anyone who has read the O'Leary Commission report possibly introduce this type of legislation to establish laws whereby Canadian publications will be owned and controlled by Canadians when, in fact, *Time* and *Reader's Digest* have taken over a major portion of the magazine industry in Canada? What the Minister is doing is locking the barn door after the horse has been stolen.

Now, Mr. Chairman, this may be fine for the Liberal Party which is great on words but so lacking in action, but it certainly is not going to satisfy anybody else. The Minister gets angry when we discuss this and I suppose he gets angry because he knows he is in such a weak position. The leader of this party tells a story about the sexton of the church who was cleaning up the church when

he found some notes left by the minister on the lectern. He saw that in the margin there was a notation: Raise your voice at this point because the argument is weak. This is exactly what the Minister is doing. He has no defence of his action on behalf of *Time* and *Reader's Digest*, so he thinks if he ignores the situation it will go away, that people will forget it. Perhaps the people will forget it, but I suggest the Minister will remember it for a long time because he knows what he is doing is wrong and indefensible.

I want to say that I never saw a person more uncomfortable than the Minister was the other night when the hon. Member for Port Arthur was analysing the Minister's position. The Minister knew in his heart that everything the hon. Member for Port Arthur was saying was true and correct.

An hon. Member: Why did you not vote for him?

Mr. Orlikow: The hon. Member asks why we did not vote with him. The Government made sure we could not vote with him—

Some hon. Members: Oh, oh.

Mr. Orlikow: Hon. Members can say, "Oh, oh" all they wish. I have lots of time. I do not want to go home today or Monday. If hon. Members like the hon. Member for York-Scarborough, who say, "Oh, oh," want to get up and defend *Time* and *Reader's Digest* why do they not do so? They sit in the back row and yell, "Oh, oh". I can take all their "Oh, oh's"; I have lots of time. They just do not have the courage to put on the record how they feel about it. We have been sitting here patiently throughout this debate waiting for some of these so-called small "l" Liberals. They like to say to the people in the cities, do not vote for the N.D.P. because, after all, we are going to do all the things they are talking about. Where are these people? Why do they not get up and explain their position on this situation?

Mr. Moreau: Will the hon. Member permit a question?

Mr. Orlikow: I would be glad to permit a question because every time the hon. Member asks a question he puts his foot in it.

Mr. Moreau: I was just wondering if the hon. Member who was asking, where are they, could answer this question: Where is the tiger from Port Arthur?

Mr. Orlikow: The record of the hon. Member for Port Arthur for attendance is as good as 95 per cent of the hon. Members on the other side.

The Chairman: Order; may I remind hon. Members that we are on clause 4, I believe, of Bill No. C-118.

Mr. Orlikow: I do not mind being reminded that we are on clause 4, Mr. Chairman. I wish that when Members like the hon. Member for York-Scarborough get up and ask these inane, useless questions, you would remind them that we are on clause 4. Then, I would not have to try to answer his stupid questions.

Let us just put on the record what the O'Leary Commission said about *Time* and *Reader's Digest*. I must admit that I am not in this chamber all the time, but I have looked through *Hansard* very carefully to see if the Minister ever tried to give an explanation of what the situation is. The O'Leary Commission points out that between the years 1950 and 1959, the gross advertising revenue of *Reader's Digest* went up from $1.5 million to $4.5 million, an increase of 194.1 per cent. The advertising revenue of *Time* magazine went up from just over a million dollars to over $3.5 million, an increase of 207.7 per cent. The gross advertising income of Canadian magazines went up just 57 per cent in this period.

An hon. Member: Where is your spirit of competition?

Mr. Orlikow: The hon. Member asks, where is my spirit of competition? It is not competition when a magazine like *Maclean's* has to pay for the writing and editing of every word which appears in the magazine, while *Time* magazine is only paying for the editing of four pages of that magazine. I am glad I am not a Liberal because if there ever was a failure to appreciate support which has been given, it is found in the Liberal Party. If there ever was a magazine which was more strongly Liberal than *Maclean's*, I do not know of it. I like Blair Fraser, but if *Maclean's* magazine pays him, then they are foolish because the Liberal Federation ought to pay him his whole salary. I have never seen him write anything critical of the Liberal Party.

However, that does not enter into this matter, the policy of the magazine. What concerns us as backbenchers is to find out how a magazine like *Time* can get to the Minister of Finance. If they cannot, then, as they could not last year, they get to the Prime

Minister. Some day, we may find out how this is done.

Let us go to what the O'Leary Commission says about the so-called Canadian editions. I do not know whether or not the Minister has read this, but he can find it on page 39 of the report, and I quote:

> Two "Canadian" editions, *Time* and *Reader's Digest* have been getting over 40 per cent of the total spent on magazines in Canada...
>
> In the case of *Time*, this consists of its taking the bulk of the *Time* (U.S.) editorial content and prefacing it with four pages on Canadian affairs.

I should like to interject that one might at least expect that for the privilege of making the millions they do in Canada they would run those four pages, biased as they generally are and pro Liberal as they usually are, in their United States edition so their United States readers might know something about Canada. But that would cost them a little money, so they do not.

• (1:50 p.m.)

Mr. Nesbitt: They would not learn much, reading *Time*.

Mr. Orlikow: Whether they would learn something or not, I do not know; but the Minister of Finance might learn something, although that is expecting a good deal.

> *Reader's Digest* draws exclusively from the central editorial pool created by the United States edition, but employs an editorial staff in Canada to provide boxes and footnotes, explaining the Canadian aspects of the editorial material obtained from this central pool.
>
> The unfairness of this competition may be measured in two ways:
>
> The actual cost of obtaining and preparing the editorial material made available to these 'Canadian' editions is far beyond what they or Canadian magazines could possibly afford—

Some hon. Members: Carried.

Mr. Orlikow: Mr. Chairman, hon. Members can call carried all they want, but this is the first time I have spoken on this subject, and I do not think I have to apologize.

Some hon. Members: Read on.

Mr. Orlikow: I will read exactly as much what will suit me.

> —bearing in mind the size of the Canadian magazine-reading population. An estimate is that *Time* of Canada pays its parent company less than 2 per cent of the actual cost of the editorial material thus coming to it; while *Reader's Digest's* total editorial costs, including the editing carried on in Canada, is a fraction of the total amount spent by the parent organization in obtaining and preparing it. Clearly, these publications have the advantage of being able to use high-cost editorials to obtain large circulations.

The argument is clear and so unanswerable that the Minister of Finance and the trained seals behind him, when they spoke, ignored the recommendations in the O'Leary Commission Report. One can only conclude from reading the debate and looking at the legislation that this measure is deliberately designed to let those two publications remain in Canada, and to be classified as Canadian which, I suggest, is completely unprincipled and dishonest.

Some days ago the hon. Member for Burnaby-Richmond asked whether these so-called Canadian organizations are prohibited from buying and operating radio and T.V. stations, and the Minister answered that they are. But for him to say they are is not good enough. We would like to know how they are prohibited from owning radio and T.V. stations. What clause in the legislation prohibits them?

Suppose Mr. Luce or the owners of *Reader's Digest* decided they would like to buy into a Canadian daily newspaper, what part of this legislation will prohibit them from doing that? Like so much other legislation proclaimed by the Liberal Party before attaining office as designed to help to meet the needs of the Canadian people this, when it is analysed, demonstrates it will do little if anything.

Speaking of the newspapers, I suppose no government has had such unanimous opposition to any proposal at any time as this Government has had with respect to its proposal regarding the newspapers. I usually find myself disagreeing with the editorial positions of Canadian newspapers, and there is not a newspaper which I disagree with as often as the Winnipeg *Free Press*, in my own city. However, the Minister should have agreed to stand this part of the measure until the newspapers had an opportunity to make proposals to him for alternative means of ensuring that Canadian newspapers will not be owned by foreign interests.

I agree with the principle that Canadian newspapers should not have foreign owners. We have not had difficulty in that respect in Canada as yet, but anyone who has read the history of Europe will remember that before World War II many French newspapers were owned or subsidized by foreign groups from Nazi Germany, and they were very, to say the least, chary of being critical of Hitler.

I have always felt that in Canada the communications industry, comprising radio, T.V., magazines and newspapers, should be operated by Canadian owners. Therefore I am not too critical of that part of the Minister's

proposal; but I say, as I said when I began, there can be no justification or excuse for what the Minister proposes to do with regard to *Reader's Digest* and *Time*, except that it will be to the political advantage of the Liberal Party. If that is going too far, if that is thought unfair—

An hon. Member: Explain.

Mr. Orlikow: I don't have to explain it. One has only to read *Time* magazine. If there is any other explanation, then the Minister owes it to the House and the people of Canada to tell us what it is. Otherwise I contend the decision to classify *Time* and *Reader's Digest* as Canadian organizations is immoral and completely unjust.

Clause agreed to.

Clause 5 agreed to.

On clause 6—*Niece or Nephew.*

Mr. Monteith: Apparently the requirement is that the niece or nephew must be resident in Canada. What would happen in the case of a person working on an assistance program outside Canada, who is to be treated in the same category as an ambassador, if he has a niece or nephew covered by this clause? Must they reside in Canada?

Mr. Pennell: The hon. Member for Perth has posed an interesting and unusual problem. I understand his question concerns a person who goes outside Canada and wants to maintain a niece or nephew outside Canada at the same time. It is my understanding that this clause does not provide relief in the circumstances cited.

Mr. Monteith: A niece or nephew is supposed to be in the same category as a dependant child, but in this instance that is not going to be so. Is this not right?

• (2:00 p.m.)

Mr. Lambert: I am wondering whether we could not clarify this by reference to clause 6(2) where the wording may be more felicitous. Paragraph (da) says the aunt or uncle of the taxpayer must be resident in Canada. That is the test. Nothing is said about the taxpayer's residence, and this is the point the hon. Member for Perth has in mind. The residence in the case of the nephew or niece need not be that of the taxpayer. The person who is posted abroad is deemed to be a resident of Canada. I think the true intent of the clause is to refer to the niece or nephew rather than to the taxpayer or his spouse, although the language is not as felicitous as that used in paragraph (da)—

—was the aunt or uncle of the taxpayer or his spouse and was

(i) resident in Canada, and

(ii) dependant upon the taxpayer for support by reason of mental or physical infirmity.

I would say that in the case of a nephew or niece the test should be that of the nephew or niece being resident in Canada rather than the taxpayer or his spouse. After all, as the hon. Member for Perth indicated, this is to place a nephew or a niece in the same category to all intents and purposes as a dependant child, and surely it is the dependant child who must be resident in Canada, though in the case of ambassadors and so forth the children may be with them and deemed to be fully resident. In this case I suggest the test should be the residence of the nephew or niece as clearly indicated in respect to the aunt or uncle.

Mr. Pennell: I believe my answer to the question asked by the hon. Member for Perth carried that inference. I said I doubted whether a nephew or niece outside Canada could claim. It was my understanding that the hon. Member for Perth was suggesting that the intent of the legislation was to put nephews and nieces in the same category as dependant children. I think it does, except for this one distinction, the distinction raised by the hon. Member in his question.

Mr. Monteith: Does not the Parliamentary Secretary feel that this distinction is one which should be removed?

Mr. Pennell: I would draw the hon. Member's attention to section 139 of the Act where provision is made for persons who have custody and control in law and in fact of persons entirely dependant on them for support. Let us apply this provision to the present situation. Where a nephew and a niece are living with an ambassador, outside this country, let us say, and the ambassador has custody and control over them in law and in fact, then they may be claimed as dependant children rather than in accordance with the provisions dealing with nephews or nieces. The situation would cause no difficulty and this, I suggest, would be the most likely situation to be encountered.

Mr. Monteith: As long as the Parliamentary Secretary can assure me that the exemption would be granted I will not pursue the matter further.

I should like to ask a further question with regard to clause 6 subclause (3). In subclause (3) (f) we find the following amendment:

> $500 in the case of a taxpayer who, before the end of the year, has attained the age of 65 years but has not attained the age of 70 years, if no pension under the Old Age Security Act has been authorized to be paid to him for any month in the year.

I have not worked this out in as much detail as I should, but apparently this means that if a taxpayer has reached the age of 69 in November 1966, and has collected old age security benefit for December only, he cannot claim any part of the extra $500 exemption.

Mr. Pennell: The interpretation placed upon these words by the hon. Member for Perth is correct. May I add this, however. The taxpayer would have an option. He would not be bound to take the one month's benefit and he could then claim the $500. It would be open to him to weigh his tax return to see which would give him the greater advantage.

Mr. Monteith: That does not seem to be altogether fair to the taxpayer. It does not seem equitable to me that because a person has collected benefit for one month he should not be allowed some portion of the $500 exemption.

Mr. Pennell: I have nothing to add to what I have said. I have given the interpretation of the section. The hon. Member for Perth has expressed his opinion. It is one I respect, but the interpretation of the Act is the one I have placed upon it.

• (2:10 p.m.)

Mr. Lambert: I am returning to the subject matter of the provision dealing with allowances in respect of nephews and nieces and the reference of the Parliamentary Secretary to section 139 (8) which gives an extended meaning to the word "child". If the extended meaning of the word "child" has direct application to a nephew or a niece, then in the circumstances indicated by the hon. Member for Perth what was the purpose of bringing in the amendment to the Act? I can understand that custody and control may not be actually in the taxpayer, although the care and maintenance of the child, the nephew or niece, may be. The child may be at a school and the taxpayer is maintaining the child in that school. I do not think the solution put forward by the Parliamentary Secretary covers all cases. It may cover some of them, but I do not think it is as all-embracing as he might have suggested.

[Mr. Monteith.]

Mr. Pennell: Mr. Chairman, may I say that the hon. Member for Edmonton West had correctly stated the intent of the section. As I understand it, the amendment was brought in to cover those situations where a taxpayer is supporting a nephew or niece in Canada but does not have in fact or in law the care and control of that nephew or niece.

Mr. Knowles: Mr. Chairman, I would like to say a few words about the part of this clause that takes away the $500 exemption in certain instances for persons between the ages of 65 and 70. The hon. Member for Perth has already pointed out a particular unfairness, namely the case of one who turns 69 in November of next year and therefore gets only one month of the pension and loses the $500 exemption; but I should like to press the point that there is an even more fundamental unfairness in this arrangement. I do so by asking the Minister to anticipate the time when old age security will be generally available at age 65. When that time comes there will be thousands of Canadians drawing old age security—indeed, all Canadians who have the residence qualification and are 65 years of age or over. Those between 65 and 70, if they are single, will be entitled to only $1,000 income tax exemption, whereas those who are 70 and over will be entitled to $1,500 income tax exemption.

Frankly, Mr. Chairman, I think this is unfair and that the Minister, instead of moving in the direction of taking away this extra $500 exemption from some people, should have moved in the direction of extending it across the board. The minute I say that, Mr. Chairman, there is brought to mind the two arguments that the Minister of Finance used with respect to the amendment that was moved some time ago by my colleague the hon. Member for Nanaimo-Cowichan-The Islands. He moved, as the Minister will recall, that there be no tax payable by single persons earning less than $1,500 or by married persons earning less than $3,000. At first there was a misinterpretation of that amendment by the Parliamentary Secretary, who thought this was raising the $500 exemption generally and that it would produce huge reductions in taxation in the upper income brackets. When we straightened the Government out on that point, the Minister of Finance then saw the difficulty of people earning just over $1,500 as compared with people earning just under $1,500.

Surely there is another way to do it. Surely one does not solve this problem only by

raising the exemption levels to $1,500 and $3,000 for everybody, giving the greatest bonanza to the Gordon Sinclairs and those people who are propagandizing this idea in its simplest form. Surely you do not have just to run into a notch problem. Surely it is possible to start a new schedule of rates, to start at $1,500 for a single person and $3,000 for a married person and change the rates so that those in the lower and middle income brackets save a little, or at least do not pay any more income tax, but those in the upper income brackets do not get any reduction. Surely, Mr. Chairman, that is the kind of thing that ought to be done with the money the Minister has to apply to this purpose.

I realize that in effect I am speaking both to the question of withdrawing the $500 exemption for people between age 65 and 70 and the proposal that comes later to give a 10 per cent reduction in income tax itself. Surely the better way to have solved this problem would have been to raise the income tax exemption levels to figures like $1,500 and $3,000 and then to adjust all the rates right from the first $1,000 of taxable income up, so that the desired objective would be achieved. Surely the desired objective is to lessen the burden on those in the lower and middle income brackets without any necessity of lowering the burden on those in the upper income brackets. I mentioned our mutual friend Gordon Sinclair a minute ago because the Minister of Finance mentioned correspondence he has had with him. I had the experience of meeting this gentleman a few weeks ago on a television program and I found that he was particularly concerned, at least he seemed to be, in raising the income tax exemption level; but when I suggested that along with that there should be an adjustment of rates so that wealthy people—and I thought Mr. Sinclair might be one of them—would not get a terrific advantage at the top, I found that the interest was not quite as keen.

As I say, Mr. Chairman, there are not just one or two ways to do this. There are various ways. The income tax people over the years have been able to change the schedules, to change the rates, to change the progression. Surely the time has come to recognize that $1,000 and $2,000 are not sufficient exemption levels in the light of today's cost of living and today's standard of living. Surely common sense calls for higher exemption levels. We have been saying for a long time that the exemptions should be set at $1,500 and $3,000. If we do not win this point soon, we are going to have to start asking for higher levels, perhaps $2,000 and $4,000. But surely we do not balk at this and do nothing about it because it creates problems at either end of the scale. The job, surely, is to decide what is a proper exemption level and then to adjust the percentage rates so that you collect a fair amount of tax, but not too much, from those in the lower and middle income brackets and collect what they can afford to pay from those in the upper income brackets.

I am glad the Minister is back in the chamber. When I was getting to my feet I was going to say that the Minister had the right to go out and have his lunch and I would have to keep talking until he got back; but he has had his lunch and is back in the chamber. I would like to hear what his thinking is on this question and what led him to take away this $500 exemption from people between age 65 and 70, instead of extending it across the board. Also, could he tell us now that the Government will consider, if not this year then certainly next year, doing this in a better way by raising the income tax exemption levels and changing the rates accordingly.

Mr. Pennell: Mr. Chairman, the Minister intends no discourtesy to the hon. Member for Winnipeg North Centre and pays a courtesy to me by suggesting that, inasmuch as I heard the commencement of the arguments on this particular section, perhaps I could reply to it, particularly in view of the fact that the reply is a broad one. The hon. Member for Winnipeg North Centre pointed out that we will soon reach the stage when all those aged 65 will be drawing old age security. We hope that before this eventuality the Carter Commission will have reported. The Minister stated in the House that he will review the whole taxation structure when that report is handed down. That is the short answer I tender to the hon. Member for Winnipeg North Centre.

• (2:20 p.m.)

Mr. Knowles: The only difficulty with that answer is that it is the same kind of answer I have been getting during all the years I have been in the House. We are always waiting for a review. It is not always the Carter Commission, but it is one Commission after another. For the good of the country, the Government could act on a few of these reports from Commissions which are sitting around now. It seems to me that if the Minister had money which he felt he could

afford on tax reductions this year, he should have used it more intelligently than he has.

[*Translation*]

Mr. Lessard: Mr. Chairman, I have a very short question for the Minister of Finance. It relates to part (2) of clause 6 under which it is possible to claim $550 for contributions—

... during the taxation year for the support of a person who, during the year, was the aunt or uncle of the taxpayer or his spouse—

I would ask the minister to state whether a taxpayer will be entitled to claim for the support of one person or also for that person's spouse, as may often be the case. Will I be entitled to claim for the support of my spouse's mother and father, or of my father and mother, or will I be able to claim for one person only?

[*English*]

Mr. Pennell: Mr. Chairman, if I caught the translation correctly, the answer is that a taxpayer would be able to claim for an aunt and an uncle if they were brought within the provisions of the clause.

Clause agreed to.

On clause 7.

Mr. Knowles: Mr. Chairman, clause 7 is a welcome clause. I suppose the Minister is thinking that the Member for Winnipeg North Centre will say it does not go far enough, and the Minister is right. What clause 7 does is to remove trade union dues, as well as dues to professional bodies, and so on, from the $100 general exemption that is available to everybody without the necessity of producing receipts. This is a good idea and, in the case of many trade unionists, it will make real the right to deduct their trade union dues. I am referring to those who in the past did not have sufficient receipts for charitable donations, and others, to get over the $100. As I say, it is good to have trade union dues removed and put on their own feet so far as deductibility is concerned.

However, Mr. Chairman, I regret that the Minister has not gone further with regard to trade union dues. I must remind him that on previous occasions when I raised the question which is now in my mind he has asked me each time to wait until the next year. That was his request during the debate on his first budget, and he repeated it during the debate on his second budget; and I suppose I will now be told to wait for the report of the Carter Commission.

[Mr. Knowles.]

I have in mind that trade union dues and dues to professional organizations and others are granted deductibility by section 11 (10) of the Income Tax Act. But then certain qualifications are applied in subsection (12). Those qualifications among other things provide that the only portion of trade union dues which may be granted deductibility is that portion that is directly related to the ordinary operating expenses of the association or trade union to which they were paid. The fact is that many of these bodies, both trade unions and others, have building funds and other causes into which they put money, and the members of these unions or associations are required to pay the total dues that they are assessed in order to maintain their membership in these organizations. Members have the right to say whether or not these assessments will be made, but they are part of the dues that are necessary to maintain the status or position necessary for their employment.

It has been my feeling right from 1948, I believe it was, when this provision was first introduced, that the Government has been too narrow as to what it allows as trade union dues. I am not trying to suggest something that may be in some people's minds here: I am not trying to suggest that this is a back door for getting in deductibility for political contributions. I think that contributions to political parties ought to be allowed deductibility, but I think that that ought to be a general provision. I am not trying just to slip it into the trade union dues portion. But there are other items which are disallowed, when trade union dues are submitted for deductibility.

As I say, the Minister of Finance both two years ago and last year listened with interest to my plea that something be done about this, and on both occasions he asked me to possess my soul in patience. No, I am wrong—it was his colleague the Minister of National Health and Welfare who asked me to do that; the Minister just asked me to wait until next year. The next year has now arrived and nothing has been done about it. I should like to ask the Minister now what is his answer.

Mr. Gordon: Mr. Chairman, the hon. Member for Winnipeg North Centre referred at the end of his remarks to the portion of any dues that might be for political purposes, and he suggested that he was not thinking of this primarily. Whether he was thinking of it primarily or was not, it is a factor. If the principle of allowing deductions is sound, then presumably it applies to the deductions for the amount of contributions which go to the

purposes which are related to the work and working conditions of the people concerned. We are on delicate ground when we talk about the portion, or any portion, that may go for other purposes, because there is this question of the political contributions.

As my hon. friend knows there is a committee, upon which a former member of his party is a very distinguished representative, which is going into this whole question of political contributions, and when they report it could be that they will come up with the suggestion that any contributions for political parties would be deductible for tax purposes. But I fancy that when that is done it will apply to all political parties and not to any particular party. I do not even know, however, whether they are going to recommend this. In the meantime I did suggest last year and the year before that my hon. friend wait. He has now waited and has found out that we have produced something. However, I do not think I would be prepared to recommend to this Committee that we go further than we have at this time.

• (2:30 p.m.)

Mr. Knowles: First of all, Mr. Chairman, may I make it clear—I thought I had before but apparently I had not—that I was not raising this question in order to bring up the matter of political contributions. I mentioned it so that the Government would not say that that was what I was trying to do. But I realize it is there in the picture. As a matter of fact, one particular union that has been in touch with me a number of times about this matter is a union that does not make any contribution to any political party, not even to mine, so that particular union is not thinking of that at all. It is thinking of special funds that are set up for building purposes, strike purposes and various other purposes apart from the so-called office, salary and other expenses. Let me make it very clear that I am quite content that any contributions to political parties should be separated until that question is settled on the broad, general basis, but I do feel that all other expenses that members of unions and professional bodies have to meet in order to maintain their membership should be allowed, and not just a portion as is now the case.

Mr. Lambert: Mr. Chairman, one must recognize certain limitations. If members of certain professional bodies have to make a contribution by way of special levy to an insurance fund I do not know that this should be necessarily covered under income tax exemptions. In the same way one can recognize that these various slices of union dues may go toward purposes which really have nothing to do with the operational expenses involved in the gaining of income by the members of the union. Sometimes questions have been raised by constituents of mine with regard to why there should not be a deduction of that portion of their union dues which is remitted to places outside the country for the payment of the salaries of corporate officers of some international union. Incidentally, these salaries are far in excess of those of officials in Canada holding public office, and there have also been some rather odd disclosures with regard to the conduct of some of these people. Therefore the situation is not quite so clearcut.

Personally I feel that where, for instance, there has been a deficiency in some insurance fund of a law society because of defalcation on the part of some member of the profession and a special levy has been assessed, such payments should not necessarily be deductible for income tax purposes, and I take the same position with regard to a special levy on the part of a union for the purpose of making a contribution to the strike fund of another union. These are not operating expenses and therefore I think there are definite limitations in this regard.

Mr. Knowles: Was that answer given on behalf of the Minister?

Mr. Lambert: No, that is my opinion.

Mr. Gordon: No, it was not. I think Members on this side of the House, as my hon. friend knows, are very sympathetic to the legitimate aspirations of all trade unions and take their views very seriously.

Mr. Knowles: Sympathy is wonderful.

Mr. Gordon: My friend is an ex-official of a trade union organization. Therefore we naturally take his views very seriously, though perhaps not as sympathetically in his present position as we did in his previous one. But I think this measure has gone a long way. I think it has been very well received and I should like to see how it works out in practice.

Clause agreed to.

Clause 8 agreed to.

On clause 9—*Tax deduction.*

Mr. Monteith: I should like to ask one question. Does the Minister wish to make a statement?

Mr. Gordon: I did wish to make a brief statement on clause 9. The reduction in personal income tax provided by clause 9 is in a form that will not reduce the base on which the provinces impose their taxes or affect their revenues in any way. There is, however, one technical point which I should mention for the benefit of the few individuals with income from outside Canada who may be affected.

All the provinces that have collection agreements, with the exception of British Columbia, have a provision in their Income Tax Acts to allow a credit against their tax for the appropriate portion of foreign tax imposed on income received from outside Canada. This provision of the provincial acts will have to be amended to change the present reference to "Section 33 of the Federal Act" to have it refer to "Subsection 1 of section 33 of the Federal Act."

This change is necessary in order that the provincial credit for foreign taxes will not exceed what was intended. The provinces will be asked to amend their Income Tax Acts at the earliest convenient time to make this slight change in wording with effect for 1965 and subsequent taxation years.

Clause agreed to.

On clause 10—*Payments out of pension fund, deferred profit sharing plan or as retiring allowance.*

Mr. Lambert: There is one point I am concerned about with regard to clause 10, subclause 1, whether in attempting to close one door other doors are not actually being opened. I am wondering whether the provision for the transferring of a lump sum into a pension plan or deferred profit sharing plan or registered retirement savings plan will not actually open up another method of setting up a deferred compensation plan for employees. This is something I think the Minister may have to look at in the operations this year because in my view there is an area in which there is uncertainty in this regard. It is a very complicated and technical point. I think the Minister will see the implications.

Mr. Gordon: I thank my hon. friend for this suggestion and we will look into it very carefully. I am sure he apppreciates that within the last year or two section 36 was, I think it is fair to say, being abused or was at least being used very widely throughout the country to provide a means for individuals to get relatively large sums of money out of companies at relatively low rates of tax. The practice really became widespread in 1964 and we thought that the loophole should be closed. I am grateful to my hon. friend for this point and we will look into it.

Mr. Lambert: I want it clearly understood that in saying this I am not trying to penalize anyone. I simply feel that all taxpayers should be treated in much the same way.

Mr. Gordon: Right.

Mr. Lambert: Under certain circumstances peculiar to a corporate body or a type of employment there can be this sort of nice, easy way out for additional low taxed remuneration which is really a deferred salary.

Clause agreed to.

Clause 11 agreed to.

On clause 12—*Payment authorized.*

Mr. Monteith: This is a new clause which has to do with tax transfer payments. With regard to section 3 of the new subsection 47A I am wondering what the application is of the words used, namely:

> Where, pursuant to an agreement entered into under subsection 1, an amount has been transferred by the Minister to the government of a province with respect to an individual, the amount shall, for all purposes of this act, be deemed to have been received by the individual at the time the amount was transferred.

I do not understand the application of that provision.

Mr. Gordon: It really means that transferring it, say, from the federal Government to a province, which is then responsible for transferring it to the individual, has the same effect as if the transfer was made directly to the individual.

Clause agreed to.

• (2:40 p.m.)

On clause 13.

Some hon. Members: Carried.

Mr. Lambert: Mr. Chairman, I might enter a caveat at this point. There is a chorus of "Carried" by people who have no bill before them and who have no interest in the bill. They are creating some difficulty for the Chair, and for Members who have annotated sections of the new Act and are desirous of raising questions. We are getting carried through the bill rather at a gallop. If those people who are interested in the measure are

the ones who call "Carried" then perhaps we will get along a little better.

Clause agreed to.

Clauses 14 to 19 inclusive agreed to.

On clause 20.

Mr. Lambert: This clause takes into account the change in respect of corporations who have some interest in the business of oil, gas and mining. I do not know whether there has been a practice that has been found to be improper by exploratory and development syndicates and their relationship between parent companies with regard to oil and gas rights, but apparently there is a suggested loophole in the operation of the Act since the amendments back in 1962 or 1963. It seems to me that it is under these amendments that the Minister proposes to close the loophole. I should like to have clearly enunciated by the Minister the type of loophole he is trying to close and why the present provision must come into effect.

Mr. Gordon: Well, the loophole applies in a case where an oil or gas right can be acquired by a joint exploration corporation, but its cost can be divided by its parent corporations. A joint exploration corporation is a special kind of company defined in section 83 (a), (d) and (e), which was passed in 1962. It is a company whose principal business is the production or marketing of petroleum products or natural gas, or exploring or drilling for petroleum or natural gas, or mining or exploring for minerals. Such a company must not have more than ten shareholders and those may be companies that are in the oil, gas or mining business. These shareholder companies provide the joint exploration company with the funds to carry out the exploration. The joint exploration company may then divide these exploration expenses amongst its shareholder companies. The joint exploration company renounces its right to deduct the exploration expenses it has incurred and each of its shareholder companies acquires the right to deduct its share of these expenses.

It has become apparent that the joint exploration rules can be used as a loophole if an oil company wishes to dispose of its oil and gas properties and not bring the proceeds into income as required by section 83(a). The method is that a subsidiary is set up to qualify as a joint exploration corporation, even if the parent is the sole shareholder. The properties or rights are sold to the joint exploration corporation, and the cost which by definition is an exploration expense, is then renounced back to the parent for such amount to be included in its income. It seems that the joint exploration corporation can then be sold by the parent, if a buyer can be found who is not interested in obtaining a deduction for the cost of the property it has acquired.

The same general procedure can be used to divide corporations and maximize the 33⅓ per cent depletion allowance. Production properties can be transferred to the subsidiary and the net operating profits would enjoy full depletion without being reduced by the parent company's exploration expenses, including the cost of the properties transferred.

Mr. Lambert: There is one question that comes to mind as a result of the Minister's explanation. How is it that a joint exploration subsidiary or company is allowed to have only one corporate shareholder? I believe this is where the mistake arises. There is no such thing as a joint exploratory corporation if there is only one shareholder. The definition, by itself, immediately knocks it out.

Mr. Gordon: Perhaps my hon. friend is right, Mr. Chairman, but this is permitted under the law.

Clause agreed to.

Clauses 21 to 24 inclusive agreed to.

On clause 25—*Pension communication authorized.*

The Acting Chairman (Mr. Tardif): The hon. Member for Comox-Alberni.

Mr. Lambert: I rise on a point of order, Mr. Chairman. I must again protest against flipping through the sections. We have made notes on this complicated bill and the cries of "Carried, carried", are coming from people who are not participating in the debate. I say the same thing to you, Mr. Chairman, as I said to your predecessor a few moments ago, that we are not out to set a time record.

Mr. Caron: Any Member has the right to say "Carried" as well as the hon. Member for Edmonton West.

The Acting Chairman (Mr. Tardif): I presumed that hon. Members had studied this bill before, and I was under the impression that when clauses upon which they wish to make remarks came forward they would draw this to the attention of the Chair.

Mr. Monteith: I think the only point at issue is that we seem to be racing through the bill rapidly. It is a complicated bill, and if the pace were slowed down a bit everybody would be satisfied.

The Acting Chairman (Mr. Tardif): The Chairman has taken note and the pace will be slowed down.

Mr. More: What section are we dealing with now?

The Acting Chairman (Mr. Tardif): Clause 25.

Mr. More: I should like to refer to clause 23, for a moment, if the Committee has no objection.

The Acting Chairman (Mr. Tardif): Does the Committee agree to revert to clause 23?

Some hon. Members: Agreed.

Mr. More: I may be ruled out of order, but I do not see any other place I can raise this matter with the Minister. If I am out of order, the Chair will guide me.

• (2:50 p.m.)

I want to refer to what appears to be discriminatory double taxation in regard to heavy machinery. This clause provides for appeals. Does it provide an avenue whereby people can make an appeal regarding denial for tax exemption?

The case I have in mind had to do with the construction of the South Saskatchewan dam. The contract was obtained by a company in Rexdale, Ontario. They purchased their machinery in Ontario, moved it out to the dam, and under the terms of the deal the dealership in Saskatchewan was required to provide service and parts for the machinery if it broke down. I understand that the dealership in Ontario, under licence had his parts exempted and as it turned out the Saskatchewan dealership the Tobin Tractor Company, had to supply some $6,000 worth of repairs. The machines were identified as being tax free because of the work they were on, and the broken parts were identified and were shown to the taxation people, but because the company were termed unlicensed they were denied any consideration. This seems to be discriminatory.

Mr. Gordon: Would my hon. friend write to me about this matter. I have a feeling it is not concerned with any clause in the bill but relates to tariffs, excise taxes or sales taxes.

[The Acting Chairman (Mr. Tardif).]

Mr. More: It may affect income tax because the firm will not get the deduction and so will pay a higher income tax. That is the reason why I raised it on this clause, but I will write to the Minister.

Mr. Barnett: Returning to the discussion of clause 25, the explanatory note simply says this authorizes the Minister of National Health and Welfare to give information to the Minister of National Revenue about the amount of old age security pensions paid to taxpayers, but it does not say why this change is being made or what is the reason for this exemption from section 9(1) of the Old Age Security Act.

Mr. Gordon: The Department of National Revenue will need this information, and unless this authority is granted the Minister of National Health and Welfare would be precluded from supplying it.

Mr. Barnett: The Minister has not said why the Minister of National Revenue needs it.

Mr. Gordon: The whole of the income of an individual is taxable, including the amount of his old age security pension. In a relatively short while my hon. friend and I can look forward to receiving old age security pensions and, if we are still Members of the House, or still earning a living in some way or another, we will have to pay tax on our total incomes, including the amounts we receive as old age security pension. I do not suggest my hon. friend will reach that stage as soon as I, but it will happen to everybody eventually.

In order to administer the Income Tax Act properly and fairly the Minister of National Revenue seeks information from various sources, and one of the sources he needs is the Minister of National Health and Welfare.

Mr. Barnett: Old age security pensions are not something which just came into effect during the current fiscal year. What is the reason for the change at this time?

Mr. Gordon: To tidy up the situation.

Mr. Lambert: The Minister indicated the reason why this was being done; but to repeat what I have said over the years, both on that side of the Chamber and on this side, all too often we find innocuous looking provisions being brought forward to amend taxation statutes for administrative convenience, but which are in many ways a derogation of the rights of individuals. I shall have much more

to say about this on clause 26, but under clause 25 there is again a cross reference between Ministers with respect to information which has always been held to be confidential.

One has to take the over-all picture to see just how far the machinery of government in its inter-play, one department with another, and its relationship with the individual citizen, is able to get matters so complicated that there is a complete breach of the relationship between the individual and the Ministry involved.

This is one of the areas on which the Committee on Delegated Legislation undoubtedly would have had something to say with respect to the transfer of information. I do not want to belabour the point, but I must register a caveat against this so-called administrative convenience because it is so easy to slip into the philosophy that the end justifies the means. So long as we have the Bill of Rights and have respect for the rights of the individual in our society, the end does not justify the means; but all too often the administrative means are both the ends and the means.

Clause agreed to.

Mr. Monteith: I would ask permission to revert to clause 22 for a moment.

The Acting Chairman (Mr. Tardif): Is it agreed that the hon. Member may revert to clause 22?

Some hon. Members: Agreed.

Mr. Monteith: Under this clause I understand mortgage companies, real estate and trust companies are going to be allowed to double the charge against annual income and set this up as a reserve. What is the justification for this doubling of the charge against income in any one year?

• (3:00 p.m.)

Mr. Gordon: There is no change in the reserve. There is just a change in the rate at which it can be accumulated. One of the reasons was that representations were made that under the old rate of accumulation they could never reach the contemplated ceiling.

Clause 25 agreed to.

On clause 26—*Solicitor-client privilege.*

Mr. Lambert: With regard to this clause, what the Minister says may be so, but I am not necessarily bound by some of the things the Bar Association may have said. I am not sure that all Members of the Bar Association would share this view. There is a definite privilege attaching to relations between a solicitor and his client and this provision is an intrusion upon that privilege. It may be used in another context, a modern context, as a launching pad from which further intrusions can be made upon the privilege of communications between a solicitor and his client.

We know that all communications between solicitors and their clients are privileged. However, this amendment to the Income Tax Act says that the accounting records of a solicitor shall not be deemed to come within the privilege covered. I should like to know why this amendment is being made. The burden is on the administration to explain to our satisfaction why it is making this derogation from a right which has been long established in law. If the Minister can advise us which bodies he has consulted on this question, and the stand they have taken, it may be satisfactory. But on the face of it I would certainly be opposed to this type of amendment which, again, is all part of the administrative convenience against which I must, as always, protest.

Mr. Gordon: The Act already contains in section 126 a number of provisions designed to protect solicitor-client privileges when tax investigations are carried out. These were introduced in 1956 at the suggestion of representatives of the Bar Association. I must agree with the hon. Member that though this was the source of the representations, the government of the day had to take responsibility for recommending them. In the past year it became evident as a result of a court decision that the definition of solicitor-client privilege was deficient. Representatives of the Bar Association produced this particular amended wording. There is nothing more I can usefully add.

Mr. Lambert: I think it would be a good idea to indicate for the record just what is the present provision contained in the Act. Section 126A(1)(e) now reads:

> "solicitor-client privilege" means the right, if any, that a person has in a superior court in the province where the matter arises to refuse to disclose an oral or documentary communication on the ground that the communication is one passing between him and his lawyer in professional confidence.

The following words are now added:

> except that for the purposes of this section an accounting record of a lawyer, including any supporting voucher or cheque, shall be deemed not to be such a communication.

I am wondering to what extent members of the Bar Association were acquainted with the proposed wording of this amendment. It may have been indicated in discussions with the Association that accounting records would not be deemed to be within the area of solicitor-client privilege. But what about exact wording? This is what the courts will have to interpret. I am afraid this exception will be used as a launching pad for further attacks upon solicitor and client privilege, which is something that exists, I believe, for the benefit of the individual and ought to be protected as far as possible.

Mr. Gordon: I would agree immediately with the general proposition put forward by the hon. gentleman. As he and other members of his profession will appreciate, I approached this particular amendment with considerable timidity as a mere member of the accounting profession.

When this matter first arose I discussed it with the departmental officials concerned and suggested I would be unhappy about proposing any amendment of this kind if it did not have the full support of the representatives of the legal profession. I am not sure when they were consulted; it was some months ago. But the matter was gone into carefully with representatives of the Bar Association and they suggested this particular wording as being wording which would be satisfactory to the Bar as a whole—and they were speaking as representatives—and which would cover the point they agreed should be covered.

Clause agreed to.

On clause 27—*Idem.*

Mr. Lambert: This again constitutes a change or extension of the means by which prosecutions for offences may be carried out. I would ask the Minister to explain why—

—an affidavit of an officer of the Department of National Revenue, sworn before a commissioner or other persons authorized to take affidavits, setting out that he has charge of the appropriate records and that an examination of the records shows that an amount required under this Act to be remitted to the Receiver General of Canada on account of tax for a year has not been received by the Receiver General of Canada, shall be received as *prima facie* evidence of the statements contained therein.

There is one point which, in passing, the Minister could clarify. I would suspect there are, within the Department of National Revenue itself, notaries or others capable of taking affidavits, so it would be a case of swearing oneself, almost—a case of an interested party obtaining an affidavit from one who is himself an interested party.

Again this is a change proposed by the Government and I think the burden rests with the Government to explain why this particular step should be taken. Once more this seems to be a move in the interest of administrative convenience.

Mr. Gordon: There are similar provisions in the Act already. There is section 136(5) dealing with the receipt of documents sent by mail, documents served in person, returns and so on.

Mr. Lambert: But this is a horse of a different colour. It goes much further.

Mr. Gordon: The purpose is merely to establish a procedure for proving that certain sums of money had not been received. I am not attaching major importance to this but I think it would assist the general administration.

• (3:10 p.m.)

Mr. Lambert: Why is it felt that this provision is necessary? Is there a requirement from the courts that there shall be evidence given that payment has not been received? Has the Department of National Revenue been hampered in any way in this regard? No case has been made for this particular change. What is the reason for making the change? Have there been important prosecutions lost because of the inability to show that moneys which should have been received were not received, and have some courts criticized the procedures of the Department? What is the purpose of introducing this amendment?

Mr. Gordon: The Department of National Revenue have had cases—I cannot give the details because I do not have them here—where they have had to start proceedings by stating that certain amounts were received, and this section is designed to make it easier for them to do this.

Mr. Lambert: Have they been hampered in the past by the practice they had to follow? Could they not give a personal statement, like anyone else?

Mr. Gordon: The representatives of the Department have informed me that they have been hampered in the past.

Mr. Lambert: I suppose somebody has had to appear in court. But I do not like it.

Clause agreed to.

On clause 28.

Mr. Lambert: Mr. Chairman, is the Minister satisfied that the wording of this amendment is actually going to clear those persons who entered into contracts of employment under these international agreements prior to April 26, 1965; in other words, the date of the budget? I assume that they would not be taxed as Canadian residents. Will those persons who entered into a contract of service under these international assistance agreements prior to April 26 be covered by the present agreement, or does it apply only to post-April 26 agreements?

Mr. Gordon: Mr. Chairman, the operation of this clause will not apply until next year and it will not apply to the people who entered into contracts prior to the date of the budget.

Mr. Lambert: The Minister says "next year", Mr. Chairman, but the effective date was April 26, 1965, which was the date of the budget. If my memory serves me correctly, the original provision said "for the taxation year 1965 and subsequent years".

Mr. Gordon: Subclause (5) reads:

Subsections (1), (2) and (3) are applicable to the 1966 and subsequent taxation years—

Mr. Lambert: Yes, it is for the year 1966. But I am concerned about the person who entered into an employment contract prior to April 26, 1965. I take it from the Minister's answer that the date of the employment contract has no bearing.

Mr. Gordon: As I say, Mr. Chairman, this will only apply to individuals beginning next year, 1966. If there is somebody who is now under contract with the external aid office and who entered into the contract prior to the budget date and the contract carries on for a period, the external aid office will have to make a new deal.

Mr. Lambert: In other words, they are not exempt?

Mr. Gordon: Yes.

Clause agreed to.

Clauses 29 and 30 agreed to.

The Chairman: Shall the title carry?

Mr. Barnett: Mr. Chairman, before the title of this rather omnibus sort of bill carries I would like the Minister to tell me what consideration he is giving to an amendment to section 5 of the Income Tax Act. If I recall correctly, when I raised this matter last year the Minister said he would consider it in the interval, but it is not dealt with in the bill which we have before us.

Mr. Knowles: The same old story.

Mr. Barnett: I raised this matter in the discussion we had at the resolution stage of the bill and did not receive any reply from the Minister at that time. I know we had a rather broad, far-ranging discussion at that time, a good deal of it about newspapers and periodicals; but before the title of this bill carries I would like to know what the Minister is going to do in his next year's budget which he has not done in this year's budget with respect to the allowance of expenses for people whose incomes come from wages and salaries and where those expenses are necessarily incurred in the course of earning a living and are in the nature of what one might consider to be extraordinary. In other words, Mr. Chairman, I am not talking about those of us who may use a little gas driving from our home to the shop, or bus fare or something like that; I am talking about the kind of expenses to which, as the Minister well knows, some consideration is given in respect of a rather restricted group of work people in the country, namely those in the construction trades. I hope the Minister will be able to indicate that his consideration has been lengthy enough so that when his next budget comes before the House an amendment equivalent to that proposed in Bill No. C-42 which is on the order paper, standing in the name of the hon. Member for Skeena, will be included.

Mr. Gordon: Mr. Chairman, as I said in reply to a similar question put by the hon. Member for Regina City—I will try and amplify it a little—in reviewing the various proposals that had been put to the Department prior to the last budget, we went through all the various suggestions and points that had been raised, certainly all the points that had been raised by hon. Members in last year's debate and all the points that had been put to the Department in the form of submissions subsequent to that debate. We singled out a number of items which we felt could be dealt with in the budget this year, and some of these have been dealt with in this bill. There are a number of others that I think all hon. Members would like to see dealt with in one way or another but which create more difficulties.

• (3:20 p.m.)

I am sure my hon. friend knows that once you start moving in any particular

direction it is a good thing, before you stop, to see what other difficult borderline cases there are ahead which will have to be taken into account. We felt that we had gone as far as we could this year. As I said to the hon. Member for Regina City, we should not attempt to go any further until we had the benefit of the report of the Royal Commission on Taxation. I dare say that when the time comes to discuss the budget proposals next year my hon. friend will be able to remind me of these remarks. Also he or I will be able to quote the report of the Carter Commission on one side or other of the discussion. This is a commission which has had a very large and competent research staff, and I cannot believe that they will have overlooked a pretty thorough examination of a point that is as important as the one my hon. friend has just raised.

Mr. Barnett: Mr. Chairman, I wish to thank the Minister for the remarks he has just made, though I would have been happier had he gone a little further than he has. I would simply say that I hope that the implementation or discussion of the pros and cons of the Carter Royal Commission report will not be dragging around as long as has the discussion of the Gill Commission report in relation to the Unemployment Insurance Act.

Title agreed to.

Bill reported.

Mr. Gordon moved the third reading of the bill.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise to speak very briefly on third reading, but also to move an amendment. The purpose of my moving an amendment at this time is to try to get a vote of the House on a specific issue. At least we should like to get as close to that specific issue as we possibly can.

As all hon. Members are aware, we have found it rather preposterous that this assembly of grown men and women has not found a way in which to register its opinion on the proposal of the Minister of Finance (Mr. Gordon) to exempt certain publications from a rule which he has brought in, as set out in clause 4 of the bill. There have already been two or three votes which have been interpreted in different ways by different media. It is understandable that there has been this mininterpretation, because when a vote is taken on a rather large package it is hard to say whether a favourable vote is either for or against the items in the package that one may not like.

A good deal of the debate on the budget resolutions and on the Income Tax Act amending bill has centred around the Minister's proposals regarding foreign-owned periodicals and the foreign ownership of newspapers. We in this party agree with the attempt of the Minister to prevent the foreign takeover of newspapers. Perhaps "prevent" is not the word because the legislation does not prevent it but merely discourages it. We also agree with the general rule that he has proposed regarding foreign-owned periodicals. The one point where we think that the Minister is being inconsistent is in the special exemptions that he makes for certain periodicals. Those exemptions are spelled out in subsection (2) of the proposed section 12A of the Income Tax Act, which is to be found in clause 4 of the bill now before us.

At the resolution stage we tried to get a vote on this specific point but were unable to do so. On second reading we had hoped we would get a chance to vote on this specific point but it was not possible. We tried again today when we were in committee of the whole on clause 4 of the bill but again it was not possible. But we think it is now possible, least if we state our case clearly, to have a vote of the House on this specific issue.

One right that is enshrined in the rules is the right on third reading to move that a bill be referred back to Committee of the Whole. In years gone by there used to be amendments that included rather specific instructions as to what should take place in the Committee of the Whole, but the tendency in recent years on the part of the Chair has been to find fault with amendments that included instructions. However, even in recent years, in fact in this Parliament, amendments that merely sought a reference back for the consideration of a particular clause have been allowed.

Therefore, Mr. Speaker, in order to have an amendment placed before the House which will be in order, we have drafted an amendment in precisely the terms of amendments which have been allowed in this Parliament. Accordingly, I move, seconded by the hon. Member for Comox-Alberni (Mr. Barnett):

That Bill No. C-118 be not now read a third time, but that it be referred back to the Committee of the Whole House for the purpose of reconsidering clause 4 thereof.

An hon. Member: Carried.

Mr. Knowles: I thought I caught the word "carried", and it sounded as though it came from the Government side of the House. The amendment, as we have placed it before the House, asks, as I say, for the reconsideration of clause 4 of the bill. If it were possible we would have asked for a reconsideration of only subclause (2) of clause 4 of the bill, but that might have produced a procedural argument, so we put it in these more general terms. What we are concerned about in asking for a reconsideration of clause 4 is that the House be given a chance to say that it wants subclause (2) of clause 4, namely the special exemptions for certain publications, removed from clause 4. That is what we will be voting for when we vote on this amendment, and we ask the House as a whole to support it.

Mr. Deputy Speaker: Is the House ready for the question?

• (3:30 p.m.)

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I am not disputing whether the amendment is in order, but I should like to point out at this time that the House spent three weeks trying to develop a set of rules which would speed up our procedure. All hon. Members participated in that discussion, and so far as I know we all took a great deal of satisfaction in the fact that grown men and women, to use my hon. friend's phrase, managed to come up with a set of rules which we thought would streamline and speed up the procedures of the House.

Mr. Barnett: We did not know the Minister of Finance was going to be so stubborn.

Mr. Gordon: My hon. friend is making some gratuitous remarks which I am sure he will regret on reflection. The House has now dealt with this matter on four separate occasions, the debate on the budget, the debate on the budget resolution dealing with the income tax bill, the debate on second reading of the bill and the debate on clause 4. I wonder how many times grown men and women need to discuss any particular subject in order to arrive at a decision?

There are differences of opinion about this clause. They have been aired by those who wished to air them. They have been repeated. Surely by this time we know how almost every Member of the House feels about this particular clause and its various subclauses. In those circumstances it seems to me that surely we should have arrived at the stage where we can agree to disagree and get on with the business of the country.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, having listened to these rather remarkable words of the Minister of Finance (Mr. Gordon), I must say I am astounded that he should dare to suggest that it is improper on third reading even to question this action. The hon. Member for Rosedale (Mr. Macdonald) is saying something, Mr. Speaker, but he is one of those impatient juniors who feel that once he has spoken or tapped his desk a couple of times everything is in order and nothing further need be said. He feels that all the wisdom of the Almighty as given to man has now been exposed and that the question really needs no further discussion. This is an attitude, of course, that is more than ever exemplified in the opening paragraph of the editorial in the Windsor *Star* of last Wednesday which was referred to by the Leader of the Opposition (Mr. Diefenbaker) this afternoon. I would commend the words of that editorial to the hon. Member for Rosedale, because I think they apply to him and the mentality he exhibits.

I am sorry to see that the Minister of Finance has been rather overcome by contagion with this disease. If the Minister had spent time in the Opposition, as he might have and may yet do—

Mr. Walker: He will not live that long.

Mr. Lambert: Mr. Speaker, I will say to the Liberal Whip that the higher you ride the lower and farther you fall, and the bump is that much harder.

Mr. Walker: Are those remarks personal?

Mr. Lambert: I would say to the Minister of Finance that even with the rule changes to which he referred, there is no reason why there should be great silence on third reading on the part of the Opposition. It was at the request of the backbenchers of his own party that an additional gap was opened on third reading. This is the odd part about it. The Minister was blown by the petard of his backbenchers. They brought forward an allocation of time provision, but there is an opening at the end. Even if there is no allocation of time, there can be a debate on third reading for at least a day plus four hours. The Minister attacked the validity of a discussion on third reading.

Mr. Gordon: The sensibility, not the validity.

Mr. Lambert: Well, the rules are there. Certainly there was agreement as to the sensibility of the provision and there are undoubtedly points to be raised. After all, the

Minister is quite well aware that in the past the Government's own backbenchers have come to their senses as a result of repeated assertions on the part of the Opposition that something was wrong and the Government has modified its position. This is what we are trying to do now. We are trying to get the Government to modify its position in regard to the provisions in clause 4 of the bill. After all, enough voices have been raised to show that there is fundamental opposition to this idea of the Government. I am not going to traverse the reasons.

Certainly I support the hon. Member for Winnipeg North Centre (Mr. Knowles) as to the reasons and the procedure that has been adopted, and I would say that we will support the amendment so we can have another look at clause 4 and all the implications thereof. While there may be some validity in what the Minister is trying to do with regard to the ownership of Canadian newspapers, I think he has gone down the wrong lane in trying to do it. With regard to the question of nationalization, not in the public ownership sense but in the sense of the Canadianization of *Time* and *Reader's Digest*, I think the Minister is all wet.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, certainly an issue as important as the matter of foreign publications is one for which the fullest opportunity for debate and discussion should be provided. I can well understand that there are many Members of the Opposition parties and, if the truth were known, many Members on the Government side of the House as well, who are not satisfied with how this matter has been presented in the omnibus bill before us. I would agree with the mover of the amendment that there has not been an opportunity for Members of the House to express their opinions specifically on this issue and I believe it would be a good idea to refer the bill back to the Committee of the Whole House.

This issue is so vital that it not only strikes at the freedom of the press but at the very heart of private enterprise itself, and it is one on which we certainly ought to be able to have the opportunity of expressing our fullest opinions. I think it would be a good thing for the bill to go back to the committee. I am not sure at this point just what we can hope to accomplish, but certainly we should not allow the legislation to go through without having given it the very fullest consideration.

[Mr. Lambert.]

I would also say that the manner in which the whole question has been presented has not been one which has permitted consideration of the particular issue as it should have been. The inclusion of this provision in a larger bill has prevented us from directly dealing with the matter as we should have. On the other hand, this issue has been before us for five or six years now. The Royal Commission has made its recommendations. In addition, I have listened with interest to some of the remarks made by Conservative Opposition of the House and I find myself continually wondering how they can express such opposition at this point in view of the fact that they did not face up to the issue when they had the opportunity to do so. What we need in this country is not only a free press but a press that is Canadian, and for that reason the issue is very important.

• (3:40 p.m.)

Without prolonging the debate, I would suggest to the Minister that it would be a good gesture on his part if he agreed to the recommendation contained in this amendment and allowed the matter to go back to Committee of the Whole House.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, part of what I was going to say has already been said by the hon. Member for Edmonton West (Mr. Lambert), so I will not repeat it. I am not referring to his remarks to the effect that the higher you rise the harder you fall. I should like to express agreement with his view that he was astonished that the Minister of Finance (Mr. Gordon) would make the remarks he did when he tried to give us a lecture on the matter of over-extending the debate. Certainly they were the kind of remarks that were calculated, as anyone who has been in this House should know, to precipitate debate. I was astonished that he should make remarks of this sort, particularly since my colleague the hon. Member for Winnipeg North Centre (Mr. Knowles) had made a brief statement when he presented his amendment. He simply made clear the fact we had had an extended debate on the subject, but had no opportunity of testing the views of the House by means of a vote. It was for that reason he was presenting his amendment so that we could vote on this specific issue. So far as we were concerned, we were willing to let the matter go to a vote without any extended debate.

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): I believe the Minister of Finance (Mr. Gordon) made it

clear we were not challenging the validity of the amendment proposed by the hon. Member for Winnipeg North Centre (Mr. Knowles). The point we were raising was that we felt a reference back to the Committee would only be for the purpose of introducing an amendment. The hon. Member for Winnipeg North Centre and others have, with great ingenuity, offered two amendments and both of them have been ruled out of order as affecting the balance of ways and means. It seems to me it is only reasonable to believe that if the matter is referred back, an amendment will be moved and this would once again affect the balance of ways and means.

Mr. Barnett: Would the hon. Member permit a question?

Mr. Pennell: Yes.

Mr. Barnett: Would the hon. Member not agree that if the House, by a vote, sent this clause back for reconsideration that would be an indication that in the opinion of the House those who have the responsibility and authority to introduce a change which would alter ways and means would be directed to do so by the House?

Mr. Pennell: I think it might involve more serious consequences than that. If I may continue, the hon. Member for Red Deer (Mr. Thompson) made a point rather effectively. As I understood him, he said he was supporting the amendment but then he stated he could not see what would be accomplished by referring it back. That is exactly the position put forward by the Minister of Finance. For these reasons, I ask that the amendment be reconsidered.

Mr. McIlraith: I wonder if it would better meet the wishes of the House if I were to move the adjournment of the debate?

Some hon. Members: Agreed.

On motion of Mr. McIlraith the debate was adjourned.

CHILDREN OF WAR DEAD (EDUCATION ASSISTANCE) ACT

AMENDMENTS TO INCREASE MONTHLY ALLOWANCES

Hon. Roger Teillet (Minister of Veterans Affairs) moved the second reading of Bill No. C-125, to amend the Children of War Dead (Education Assistance) Act.

He said: Mr. Speaker, when we were dealing with the resolution the other day I undertook to supply additional information to the House. I have a very brief statement here. It was suggested also to me that some of the purposes of the Act and some of the statistics be placed on *Hansard* for the benefit of hon. Members and veterans organizations.

First, this Act was assented to on May 14, 1953 and came into force on July 1, 1953. The purpose of the Act is to assist the children of members of the forces who lost their lives while on service during wartime, or afterwards, from a cause deemed to be related to their service in wartime, that is a 50 per cent pensioner or over, or from a cause directly attributable to peacetime service, to gain the advantages of an advanced education. For this purpose, the action in Korea is deemed as "wartime". It was hoped that the Act would provide the advantages of education that the fathers, had they lived, would have tried to give their children. The basic allowance of $25 per month was established in 1953 and has remained unchanged. The proposed increase to $34 will keep the allowance in line with the increased cost of university students. The additional allowance, paid only when pension ceases at age 21, was commenced in 1958 and the proposed change will keep it at a level equal to that paid as pension prior to age 21, at the present time $60 per month.

I have here, Mr. Speaker, a few figures and some tables relating to the number of students that have been approved for assistance. The number of students approved for assistance was 3,559, with 118 students approved for extension. The cost of the program to date has been $2,386,237, and the cost of fees and costs amount to $2,325,977 for a total of $4,712,214.

One bit of information which is not included, in the list with which I will be dealing in a moment, is that there have been 98 children of deceased members of the Canadian forces approved under the Act. I have here three tables, one of which I have partly read into the record, dealing with the applications approved for training, 1953-64 and estimated to 1968. The second table deals with the number of students in training at the year end 1953-54 to 1964-65 and estimates to 1971-72. Table No. 3 deals with expenditures 1953-54 to 1963-64 with estimates to 1971-72. I should like to ask the House for permission to have these tables, along with graphs showing the actual conditions up until now with projected estimates, printed in *Hansard*.

The Acting Speaker (Mr. Batten): Does the House agree to have these tables printed in *Hansard*?

Some hon. Members: Agreed.

[*Editor's note: For text of tables referred to above see appendix.*]

Mr. H. W. Herridge (Kootenay West): I rise to speak very briefly on the second reading of this bill. First of all, we were glad the Minister placed some figures on the record concerning the total number of students who have taken advantage of this legislation, and the total cost. I am sure when we have an opportunity of reading the tables put on the record we will have a fairly good picture of what has been accomplished by this legislation.

In conclusion, Mr. Speaker, I simply say that I am confident the Parliament of Canada has never extended such a small sum of money with such beneficial results as have been attained under this Act.

• (3:50 p.m.)

Hon. Marcel Lambert (Edmonton West): The other day when we were discussing the resolution I had a second series of questions about which the Minister was intending to speak. They concerned the children of men who were on peace keeping operations. There is a whole area of compensation and pension not covered by war service pension, though if a man is killed in the line of duty there are provisions for his dependants.

I raised the question as to whether there was an extended definition of service under this bill to take care of such cases, and what was the Government's intention with regard to that. It may be that the Minister would prefer to go into this at length when the estimates are discussed by the Veterans Affairs Committee.

Mr. Teillet: The hon. Member is quite right and I apologize for not dealing with this matter. At the moment, allowances under this act are governed by the Canadian Pension Commission; and the other matter he raised, and which he and I discussed previously, is now being studied by an interdepartmental committee. The Department of National Defence has a large responsibility in this area. The suggestion about the Committee on Veterans Affairs is useful and I hope we will have conclusions or tentative conclusions to offer to that committee.

Mr. A. B. Patterson (Fraser Valley): As stated by the hon. Member for Medicine Hat (Mr. Olson) on resolution stage, we support this measure because we all realize that society can do no less than provide in this way for those whose fathers were killed in the service of their country.

Mr. G. L. Chatterton (Esquimalt-Saanich): I am in favour of the proposed amendments, but I suggest to the Government that whenever questions of allowances come up it might make an arrangement, as was done under the Canada Pension Plan, for an automatic index increase, provided the correct index is used. The index should be one based on the increase in average earnings and this would obviate amendments to Acts from time to time.

Under the regulations the Minister should also consider the matter of recognizing the institutions which some of these people would be allowed to attend. I know of one case where permission was refused to attend a certain institution in Vancouver. The chap involved was a young artist and this year his work is being displayed in the National Gallery. The question involves the institution he should have been allowed to attend.

Mr. Grant Deachman (Vancouver Quadra): Mr. Speaker, apropos of the remarks made by the hon. Member for Esquimalt-Saanich (Mr. Chatterton) with regard to the use of a cost of living index, student costs are more directly related to university fees and housing at universities. It would be of more assistance to students if these costs were reviewed from time to time.

Mr. Teillet: I just want to point out—

The Acting Speaker (Mr. Batten): Order. I should advise the House that if the Minister speaks now he will close the debate.

Mr. George Muir (Lisgar): Clause 1 (a) refers to an amount equal to one twelfth of the annual rate of pension. Would the Minister tell us the annual rate?

Mr. Teillet: I assume the annual rate would be 12 times the monthly rate, but if the hon. Member waits until we reach committee stage I will have the full answer for him.

Motion agreed to, bill read the second time and the House went into Committee thereon, Mr. Batten in the Chair.

On clause 1.

Mr. Chatterton: I think the Minister was going to say something with reference to the remarks made earlier.

Mr. Teillet: Yes, Mr. Chairman, and I can assure the hon. gentleman we are very con-

scious of the point he has made. I would point out that the allowances for fees were increased last fall from $500 to $800, and these things are continually under review. We are now in the process of having talks with veterans organizations in order to establish a more adequate basis for pensions to disabled veterans, and which would have a result as applied to the children of war dead. The purpose of this amendment is to assure that when a student continues at school after the age of 21 and the pension has ceased, the same amount of money will be made available to him.

Mr. Muir (Lisgar): The old act provided $25 and an additional $54. Is this additional amount of money being withdrawn?

Mr. Teillet: In effect it would be $60 with the added amount provided for.

Mr. Chatterton: Under the Canada Pension Plan there is an allowance of $25 per month for each of the first four orphans, and $12.50 per month for each orphan above that. In most cases the people who would qualify under the Children of War Dead (Education Assistance) Act would not qualify for payments under the Canada Pension Plan, and I hope the Minister will keep this in mind when considering the question in future, that income from pension or from any source but earnings does not entitle one to a pension under the Canada Pension Plan. Therefore in relation to the Canada Pension Plan these people are actually worse off than they were previously.

Mr. Teillet: I will certainly undertake to have a close look at that.

Clause agreed to.

On clause 2.

Mr. Herridge: I presume this means that the act is retroactive to September 1, 1964?

Mr. Teillet: That is correct, to bring it in line with the adjustment in pension as of that date, and so that students in school during this year would have the benefit of this additional amount.

Clause agreed to.

• (4:00 p.m.)

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Batten): When shall the bill be read the third time? By leave, now?

Some hon. Members: Agreed.

Mr. Teillet moved the third reading of the bill.

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

ARMY BENEVOLENT FUND ACT

AMENDMENT INCREASING INTEREST PAYABLE ON MINIMUM BALANCE

Hon. Roger Teillet (Minister of Veterans Affairs) moved the second reading of Bill No. C-126, to amend the Army Benevolent Fund Act.

He said: I must correct certain of the information I gave to the hon. Member for Fraser Valley (Mr. Patterson) the other day in answering a question as to rates of interest. Reading the statement I had in front of me, I skipped a line and told him the rate was now 3 per cent. The actual figure will emerge from the brief statement I now wish to make.

The Fund was established by the Army Benevolent Fund Act in 1947. The original net worth of the fund was $9,293,477. The original interest rate was 2½ per cent. The plan for the fund was that there would be prospective beneficiaries for 50 years and that payments for the first 30 years would average $473,000 a year, with much smaller payments during the remaining 20 years. During the last ten years disbursements have averaged approximately $520,000 a year. The net disbursement in the fiscal year 1964-65 was $451,544.

The Act was amended in 1952 to increase the annual interest rate to 3½ per cent on the first $5 million, and 2½ per cent on the excess. In 1961 interest rates were again increased to 4 per cent on the first $5 million and 3 per cent on the excess. These rates are still in effect.

The fund has decreased more rapidly than was originally intended and on March 31, 1965 it amounted to $5,552,078. During the fiscal year 1964-65 the fund assisted in 3,085 cases. Because it is considered important that the fund continue to operate in accordance with the original plan, and because interest rates have tended to increase, the bill proposes a rate of 4¾ per cent per annum for a period of five years, and provides for further quinquennial adjustments in the rate by the Governor in Council. This proposal will result in increased interest payments of approximately $34,000 a year during the first five year period.

Mr. H. W. Herridge (Kootenay West): I wish to ask the Minister a question. I presume

this is one of those adjustments which have to be made in respect to interest rates under the capitalist system, which would not be required under a socialist system.

An hon. Member: They would go up and down like a yo-yo.

Mr. Patterson: May I point out that it was my colleague from Medicine Hat (Mr. Olson) who asked the questions to which the Minister has replied.

Mr. Teillet: That is correct. I apologize.

Motion agreed to, bill read the second time and the House went into Committee thereon, Mr. Batten in the Chair.

Clause 1 agreed to.

Title agreed to.

Bill reported.

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

Some hon. Members: By leave, now.

Mr. Teillet moved the third reading of the bill.

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

JUDGES ACT

AMENDMENTS TO PROVIDE FOR ADDITIONAL JUDGES

Hon. J. Watson MacNaught (for the Minister of Justice) moved that the House go into Committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Judges Act to provide salaries for two additional judges of the Supreme Court of Ontario, one additional judge of the Supreme Court of New Brunswick and one additional judge of the County Court of Ontario.

Motion agreed to and the House went into Committee, Mr. Batten in the Chair.

Mr. Macdonald: As hon. Members know, the proposed resolution to amend the Judges Act will provide compensation for two additional High Court judges in Ontario and one additional judge of the County Court of Ontario—in this case a third County Court judge for Middlesex County—and one additional judge for the Supreme Court of New Brunswick.

The appropriate legislation has already been passed by the provincial legislatures. The Ontario Legislature has acted to provide for the expansion of their courts to accommodate the required number of judges by an amendment to the Judicature Act which received Royal Assent on April 14, 1965 and by the County Judges Amendment Act which received Royal Assent on April 2, 1965. The Judicature Act of New Brunswick has been amended by the Legislature of New Brunswick, which amendment received Royal Assent on April 3, 1965.

In all cases the necessity for additional judges has been created by the heavy volume of litigation at the Supreme Court level which is perhaps the product of the affluent society in those two provinces. I have been supplied with some figures which indicate the extent to which litigation has grown in recent years. In Ontario there was a notable increase between 1953 and 1965. In 1953 there were 9,929 writs issued and in 1965 there were 18,546 writs issued, an increase of 87 per cent. Of cases set down for trial, in 1953 there were 4,407. This had increased in 1965 to 7,134, an increase of 52 per cent.

• (4:10 p.m.)

Mr. Diefenbaker: Mr. Chairman, could the Parliamentary Secretary give the increase year by year?

Mr. Macdonald: I would have to apologize to the right hon. gentleman, Mr. Chairman. These figures were supplied by the Chief Justice of the High Court of Ontario and I do not have them on a detailed, year-to-year basis.

Mr. Diefenbaker: I was wondering whether there had been a recent increase.

Mr. Macdonald: I regret that I cannot answer the right hon. gentleman in that respect, Mr. Chairman. A more detailed comparison of the figures might be of some assistance. In regard to litigation in the City of Toronto, in January, 1965, of cases set down for trial in the non-jury, defended category there were 374. By 1965 in this category the number of cases had risen to 1,142, an increase of 205 per cent. Of non-jury, undefended cases, in 1955 there were 512 and in 1965 this had increased to 1,011, an increase of 97 per cent. Of jury cases there were 154 in 1955 and 660 in 1965, an increase of 329 per cent.

I might say, Mr. Chairman, that the present Chief Justice of the High Court of Ontario is actively engaged in trying to reduce the list of cases outstanding, and the Registrar of that court, who has had very considerable experience in litigation, has said that the past eight months have been perhaps the busiest in the history of that particular court. The figures for the period January 1, 1965, to May 31 of this year indicate some improvement in

this regard. For example, the number of divorce cases disposed of in this period exceeds by 122 those set down for trial. In the same way, the number of jury cases disposed of in this five-month period from January 1, 1965, show that there were 880 cases set down for trial, and at the present time there are 632 outstanding, indicating a net disposal of 248 cases.

The figures do, however, indicate both a continuous increase in litigation and a considerable number of cases outstanding. In Toronto and Ottawa in the Province of Ontario, for example, there has been an expansion of actual courtroom facilities. In the City of Ottawa there is now room for two High Court judges to be sitting in Assizes at the same time. It is to meet the requirement for additional judges that these amendments are being put before the House.

Mr. Diefenbaker: Mr. Chairman, would the hon. gentleman give us the figures as to the number of trial judges of the High Court of Ontario in 1955 and today. Would he also let us know whether there is a lag between trials and the actual handing down of judgments. We had an example some years ago in the Exchequer Court where judgments were delayed so long that only the litigants had not forgotten that they had a case. Has the Parliamentary Secretary any record regarding the delays between trial and judgment which have resulted from the fact that judges have been unable to write their reserved judgments because they have been called back to duty to take trials elsewhere? Has he any record of that at all?

Mr. Macdonald: Mr. Chairman, I have no record with regard to the second question. I think the general opinion of the profession, which is perhaps the best measure I can give, is that on the whole the High Court of Ontario does have a very good record of disposing of matters, once they are brought to trial. There may be individual instances where judgments have been long delayed, but on the whole I think it has moved along quickly.

With regard to the first question, the right hon. gentleman inquired as to the number of judges as between 1955 and 1965. In 1955 there were the Chief Justice of the High Court and 18 trial judges. At the present time there are the Chief Justice, of course, and 22 High Court judges. If this amendment passes the House there will be 24 judges at the trial level in addition to the Chief Justice.

Mr. Diefenbaker: There is just one other question I want to ask, Mr. Chairman. Personally I think it is very necessary that the courts be able to carry out their responsibilities expeditiously. There are some parts of our country where judges are not overworked in certain divisions, but in the High Court of Justice, having regard to the great increase in litigation which in large measure I think would be damage litigation arising out of automobile accidents, there has been made necessary a substantial increase in the number of judges.

While normally I thoroughly disagree with the situation whereby a Parliamentary Secretary, however qualified and able the particular hon. gentleman may be, introduces a resolution in the absence of the Minister, in this case on a Friday afternoon and being in a benevolent mood I am not going to raise this objection. But there is one other question that occurs to me. We want to be assured that our judiciary shall continue to be above reproach. They will not always be right, otherwise there would not be courts of appeal. But they have to be men of honesty, integrity and ability. Sir John A. Macdonald once said, when asked what the qualifications of a judge were in his opinion, "A man who is honest and willing to work, and if he knows a little law that would be no particular detriment". This is true. So often outstanding counsel are appointed to the bench and do not make the judges that others with less forensic experience make. However, in the field of honesty and integrity of judges we Canadians have been unusually fortunate. There has been one blot on the record in the last year or so, but that judge's conviction is still before the courts and therefore I will make no reference to it. However, there is a case in the Province of Ontario that I think deserves a full explanation by the Department of Justice. I mentioned the case of the High Court Judge who was convicted and sentenced to two years imprisonment and whose appeal is pending. I say no more about that. The very fact that there are so few of these cases causes wider publicity being given to those that do occur than would otherwise be the case. We not only expect honesty and integrity in the judiciary but we also have the right to expect, and demand, that judges shall not only be honest but shall have the appearance of being honest.

There is a case that has been before the courts. The judge in question was acquitted after preliminary hearing. I refer to Mr. Justice Landreville. I would like to know what is being done in connection with this

case. We have tried to get information but it has not been vouchsafed us. I am in no way judging the merits of the case; I am simply pointing out that what was revealed in the press does not contribute to that feeling of certainty with regard to the judiciary that we, in the British tradition, have a right to insist upon. I would like to know whether the judge has been asked to resign and what his reaction has been to any such suggestions that have been made.

• (4:20 p.m.)

If he has refused to do that which I think, in the interests of justice, he ought to do, then what action is going to be taken by way of setting up a Commission to look into the case and make a recommendation to the Minister of Justice? I am being very restrained in the expression of my viewpoint, but certainly with that shadow which is cast over the Justice, litigants appearing before him would not be subject to too great criticism if they were to conclude that they would sooner be tried by another judge.

Mr. Winch: Mr. Chairman, could I just put a straight question; I am not making a speech. Could I ask the right hon. gentleman who has just spoken whether he would include in his remarks the situation of Judge Meunier, who was sentenced to two years for perjury and is still drawing a salary from the federal Government?

Mr. Diefenbaker: I did not mention that he was one of our colleagues in the House of Commons who went to the bench when a vacancy arose to provide an opportunity for Mr. Chevrier to come back to the House of Commons. I did not refer to the Meunier case because it is still before the court; but if what the hon. Member says is correct, that the Justice is still getting his indemnity as a judge, then that is a revealing circumstance. I could scarcely credit that that would be so.

Mr. Winch: It is so.

Mr. Diefenbaker: Well, I appreciate that when the hon. gentleman, as an experienced parliamentarian, says it is so, I know it is so.

Mr. Winch: It was said in answer to a question put down by one of the right hon. gentleman's own Members that this judge was still drawing his salary, having been sentenced to two years.

Mr. Diefenbaker: That, Mr. Chairman, indicates that the Department of Justice, which of course at the moment is not an issue before the House, must assure that justice is done.

[Mr. Diefenbaker.]

I am referring to the case of a judge of the High Court of Ontario, a court which, according to the Minister, is overworked. I was wondering whether or not in addition to these two judges to the court there should be a third vacancy as well.

Mr. Winch: Mr. Chairman, along that same line of principle my point is this. How is it that a Supreme Court judge, who can only be appointed by the Government of Canada can be sentenced to two years for perjury, who appeals, and although he is not serving as a judge is paid his salary by the Government of Canada? To me that is an extraordinary situation. If a man is guilty of perjury, then by all means let him appeal. But why a man who is a judge should be paid by Parliament is, to me, a most ridiculous situation.

Mr. Diefenbaker: It is a shocking thing.

Mr. Peters: Mr. Chairman, not being a lawyer I show some reluctance to get into this particular debate. However, I think justice affects not only the lawyers either in Parliament or the country but also those who are considered to be in court the peers of either the jurors or those persons who are accused. I endorse the remarks made by the Leader of the Opposition in relation to Mr. Justice Landreville, and may I say I come from northern Ontario, where this judge lives. This matter is a disgrace. It is one which would not be allowed in any other calling, and would not have been allowed here had this man not been a judge. It is all very well to refer the case to the Bar Association, who themselves have said that this man should be removed from the bench; but I think it is a disgrace to ask anybody to go before this judge to obtain justice in view of the indication that his own hands may not be clean and that he may have abused the highest trust given to him by the people of Sudbury, who elected him to serve them in another matter.

I fail to see why this man has not been removed by the Government, and I think this failure raises with the layman a number of questions. The first question flows from the fact, as the Leader of the Opposition has just said, that the appointment of a judge may call for a man who has worked either in the legal field or other fields. It is not absolutely necessary that you have legal training to be a good judge, but—

An hon. Member: What?

Mr. Peters: Well, I hope I have not misinterpreted him, though I may have done.

Mr. Diefenbaker: I never made that suggestion.

Mr. Peters: I assumed that what he was saying was that you do not need legal training. I do not know whether this is true or not, but I think it is.

To make my point quite clear, there was recently appointed to the Supreme Court of Ontario a man I have had the privilege of knowing for many years, a lawyer in the Town of Timmins, Gregg Evans. This gentleman prior to his appointment did not go through the process of being Crown Attorney, nor did he go through any of the lower courts such as the Magistrate's Court or County Court. But I am sure that Gregg Evans will be one of the best Supreme Court judges that we have in Ontario, and I predict that he will have a long and illustrious future in this field. I say that because I know that as an individual he is a very honest, temperate and very fair man. For this reason Gregg Evans will make an excellent judge even though he has not been through some of the other avenues.

As I say, I was of the opinion that people who were not lawyers could be appointed judges, although I may not be correct about that. But let us make no mistake about it—political appointments are the usual type of appointments which are made. They have been made on many occasions. The one just mentioned was, I think, an occasion when a party needed a seat and a man was promoted to the bench to make room for another candidate. I can see the present holder of the seat for that particular riding being reluctant to do something about the situation in the province, for the very simple reason that a contribution was made in the political sense which, to some extent at least, warrants a certain amount of sympathy from those who had the benefit of the change of seat.

I think that the situation involving Judge Landreville is a disgrace of justice in the Province of Ontario. I believe that the Department of Justice must exercise some jurisdiction in this field. Even the Bar Association are now reluctant to have this judge try cases. I know of several other judges in other areas who are not considered acceptable. I know of one magistrate in Timmins who is not acceptable to me because I know of his prejudice; and certainly I would not accept him as a trial judge if I were charged with an offence before him. I think I could legitimately make a very good case as to why he should not sit on my case.

• (4:30 p.m.)

This matter affects a large number of people. It is the Government that really is responsible in this field and I do not think they have discharged their responsibility, although I may not fully understand the division of responsibility between the province and the federal Government with regard to who has supervision of the judges, and some of the other factors involved.

The Parliamentary Secretary referred to the delay in justice. This is something that is very apparent, of course, to everyone. I understood him to say that there is a backlog of 660 cases in Ontario. I wonder who is responsible for directing cases to the different judges? On a number of occasions I have been in lawyers' offices when they have been trying to find a judge to sit and hear a particular case, and have had great difficulty in doing so. This is particularly true in the months of July and August when all the judges want to go on holidays. It is true they are not considered to be the peers of average persons, but it seems odd to me that a judge should take a couple of months off in the summer while he makes up his mind whether he wants to hear a case and when he wants to hear it. It would appear to me that if the Bar Association in the province is going to be the disciplinary body, they are going to have to make a decision with regard to what outside work judges can take, because the taking of such work often results in delaying regular court cases.

I should like to hear the Parliamentary Secretary explain to us what results have flowed from the discussion we had a year or two ago. At that time I believe everyone was of the opinion that while outside work could be very lucrative to judges, it was not going to be necessary for them to do such work because we had increased the salaries of the judges considerably. I know that at that time it was left to the discretion of the judges to decide whether or not they would take outside work and whether or not it would interfere with their regular duties, but from my slight knowledge I know that the judge still controls whether or not he will sit on a case and when he wants to sit. It is the judge who makes this decision. Quite often it is unfair that a person involved in litigation should chastise his lawyer for not making proper arrangements and speeding up the hearing of the case when the fact of the

matter is he cannot find a judge to hear it, and is having difficulty in bringing the case before the courts. I think the House should have some explanation of how far we got in asking the judges to co-operate and discipline themselves in return for the large increase in their indemnity provided by Parliament.

The fact that there is a backlog of 660 cases warrants in my opinion not only the appointment of two new judges but action by the House in the very near future to try to get rid of the backlog of cases. If the two new judges are energetic young fellows and do not do anything else, it is quite possible that in one year they could handle the 660 cases. However, some of these cases may very well be very heavy because, as the Leader of the Opposition mentioned, they fall in the field of civil litigation and require the production of a great deal of evidence. This is a very time consuming thing and I would think that these two judges are not really going to solve the problem of the backlog of 660 cases in Ontario. I think it would be much better if we could get all of the other 22 judges to take their fair share of the load.

If the Parliamentary Secretary would indicate to us the case load of each of these 22 judges I predict that we would find a great disparity. Some judges work and some do not do a darn thing. I would be interested in knowing, for instance, how many cases Mr. Justice Landreville has dealt with in the past year. I should like to know how many cases there were in which those involved did not want to go before this judge, who has been morally found guilty of an offence. If it had been anyone else except a judge that person would have found himself paying the penalty that the president of the company involved paid. They were both accused of exactly the same thing, one on one side of the fence and the other on the other, but the man who offered the bribe received a sentence and the one who accepted it did not. To me this is discriminatory.

I like the phrase lawyers use that justice delayed is justice denied. I know of cases involving the unsatisfied judgment fund, which I presume fall largely within the jurisdiction of the County Court judges in Ontario, that have been in process for three to four years. People are screaming blue murder because they have not got a motorcar. There is no way they can get the kind of transportation allowance that would be allowed in other types of cases, and so the penalty being paid by these people is very great. Their situation has been vastly aggravated by the fact they have not been able to get their cases before the courts.

I would have much preferred it if the Minister of Justice had been interested enough to be here this afternoon to pilot this measure through the House. I think the Parliamentary Secretary will agree with most of what I say because he comes from Ontario, but the Minister of Justice may not be aware of some of the factors involved in the administration of justice in that province, although the Province of Quebec may have different problems. I believe the Minister should be prepared to come before us and tell us the recommendations that have been made by the Province of Ontario, who these two judges are going to be and what qualifications they have. This might at least be of interest to us.

I should like the Government to be prepared to come before Parliament before long and indicate that some thinking has been done with regard to the appointment of judges and the loads they carry. Although I am not prepared to document it, I believe there is a great disparity between the work done by some judges and the work done by others. I say this because for some time I had considerable experience with Ontario judges in relation to arbitration and conciliation boards. We found there were certain judges who were always available, and quite often they were the ones we did not want. There were others we wanted and who were much more acceptable to us but they were involved in handling other legal matters. I could name some of them but I will not do so.

I can remember one who had a little English car and who came to Timmins one time. He charged us something over $200 for transportation, but if he put $5 worth of gas in that car to get to Timmins I would be very surprised. We paid the amount under protest, but when he charged the company involved in this particular case the same amount he had charged us they said it was an unreasonable charge, refused to pay and took him to the Bar Association. That is an aside.

The point I want to make is that the Minister of Justice must be aware of the disparity in work loads. I think we should find some way of distributing the loads much more evenly, and we must also find a better way of choosing new judges. The judges are supposed to discipline themselves. So are Members of Parliament. If you look around you can see those who are always here and those who are never here. We are supposed to discipline ourselves too, but this does not always work.

An hon. Member: Explain.

Mr. Peters: Well, you can look around and see the empty seats. I say the case loads are not being evenly distributed and that there is no discipline in this regard. I know personally that some judges in the Province of Ontario are greatly overworked. They are handling cases because someone asks them to do so and they know full well that they have more work than they should be undertaking. At the same time there are other judges who are carrying very little of the load.

• (4:40 p.m.)

I am quite pleased that we are adding two new judges but I would be much more pleased if I knew who they were going to be. I would also be much more pleased if there was an obligation on the Chief Justice of Ontario to come before a committee of the Justice Department and indicate which judges he wanted removed because they were not doing any work. I should like the Chief Justice to exercise some authority and report to the Government on this aspect of the matter. The lawyers are going to laugh and say it cannot be done, that it has never been done. I think it is a disgrace, and every person in Ontario will think it is a disgrace that Judge Landreville continues his appointment, and nothing can be done.

We are surprised also that people have to wait four years for settlement of cases under the unsatisfied judgment fund, not because the lawyers have failed to do their job but because there are no judges available to hear the cases. I think much more has to be done in this field than merely having an opportunity every year or so to say something on this subject when we appoint another judge or two. I think the Government has a responsibility, if they really want to see justice done, to find some way of making all the judges work. It might not be by asking the Chief Justice to report, but some way could be found. Those who do not want to do the job could be retired. We would be better off to pay them a good pension because they are only deadwood, and we would be well rid of them.

We have been able to maintain a very high standard of judges in Ontario. I do not believe there is anyone in Ontario who will not say that justice is on a high level. We are prepared to admit also that there are some who do not want to maintain these high standards, and we would like some method of assuring that the standard is maintained. I hope the Parliamentary Secretary will pass on to the Minister the desire of some people in this country to have a much more effective way of disciplining judges and maintaining high standards. We probably should have a much better way of appointing judges than for Parliament continually to ask for one or two more. This may not be enough to even meet the backlog, when you take the load off the judges who are sitting now.

Mr. Herridge: I rise briefly to say that I listened to some of the interesting and eloquent remarks made by the hon. Member for Timiskaming. I must also bring to the attention of the House that the circumstances he so graphically described do not apply to the judges of British Columbia.

Mr. Winch: I spoke recently, but there was one point I omitted and which I should like to raise now. A few days ago I was interested in reading that a judge who had been found guilty of perjury and sentenced to two years still holds his appointment, although he has not been sitting as a judge. He is still drawing his money. The point I want to raise is that I read in the newspaper that the Minister of Justice said he cannot discharge this judge who has been found guilty of perjury.

I should like to make it clear that, under the circumstances. I believe there is a responsibility on the Minister of Justice to introduce the required motion in the House of Commons. I understand that only the House of Commons can discharge a judge. For the Minister of Justice to say he has no authority to discharge a judge is a statement which I find—I do not know what words to use—picayune, uncourageous and despicable. In other words, it is completely irresponsible. I say it is the responsibility of the Minister of Justice, when a judge has been found guilty of perjury, to introduce the required motion in the House of Commons to discharge him, so he will not sit in judgment on others.

Mr. Macdonald: Perhaps I may reply to some of the observations that have been made by hon. gentlemen. Perhaps I should hasten to reply, first of all, to the misquotation of the Leader of the Opposition by the hon. Member for Timiskaming. The hon. Member for Timiskaming may have been thinking of a situation in Ontario in which it is not mandatory for magistrates to have legal training. In so far as Superior Court or County Court judges appointed by this Parliament are concerned, it is mandatory

that they have legal training. What the Leader of the Opposition was actually saying was that there were circumstances, not infrequently, where a man is appointed to the bench who has not been in active practice in the courts but has conducted the business of a solicitor. Very often the solicitor, who has not been actively practising in the courts, turns out to be a better judge than some of the leading counsel. I think that is the point the right hon. gentleman was making.

The hon. Member also made reference to the distribution of the work load. He observed particularly that during the months of July, August and part of September the court is on vacation. In so far as the question of whether or not there should be such a lengthy vacation, I can only speak for my own Province of Ontario and say that the question has been raised as to whether the vacation is too long, particularly in connection with criminal matters. It has been stated Superior Court judges should be sitting all year round to deal with criminal matters. I believe I am correct in saying that it is not for this Parliament to decree whether the court calendar is run the year round or not; that is a matter of the administration of justice and is for the province. I am sure the hon. gentleman's observations will be noted and given the appropriate consideration.

He made some reference to the statistics I quoted with reference to the case load and referred to the fact that judges at certain levels are entitled to engage in non-judicial activities. I point out to him that High Court judges in Ontario are not entitled to do so, but County Court judges are. County Court judges can take outside work such as to act as arbitrators in labour disputes or as members of local police boards. Supreme Court judges are required to confine themselves to judicial business, except such business as a commissioner under the Inquiries Act to which position they may be appointed by the Governor in Council or the Lieutenant Governor in Council. The case load to which the hon. Member referred has not come about by reason of the fact Supreme Court judges are not attending to their duties. I am sure the Chief Justice would be the first to support me in that remark.

Perhaps the hon. Member does have a valid observation, and it is relevant here because we are considering the position of an additional County Court judge in Ontario, as to whether or not the bench at this level should engage in non-judicial activities. I point out to him that perhaps there is ground for imposing some limitation on the activities of County Court judges. However, there is recognition of the fact County Court judges perform distinct services within particular communities. I think many people within the labour arbitration field would feel that conciliation would be hampered if it were not possible to get County Court judges to act on arbitration boards.

[Mr. Macdonald.]

• (4:50 p.m.)

Perhaps the hon. Member does not agree with that. I certainly know that that view is held by some people both on the side of labour and of management. Under Ontario legislation County Court judges perform duties as members of local police commissions, and a County Court judge is in some respects almost more an administrative officer within a county than acting in another capacity as a judicial officer. The question is not one without merits on both sides.

With respect to the case load of each judge, I am not in a position to tell the hon. Member that, but with respect to High Court judges the calendar which they are to follow is drawn up by the Chief Justice who, merely from the standpoint of personnel relations, will do his best to equalize the load. But inevitably with justices who are trying cases both in a large metropolitan area like Toronto, and who go out on circuit to small urban or rural communities, there is inequality in the load they have to meet.

I also know it is the practice for the Chief Justice to rotate the work of justices so that they take on the heavy and the light alternately. However, here again there is an inherent inequality, due to the factor of experience and being specialized in certain fields of law. Very often you will find in commercial cases it is desirable to appoint a judge to hear them who has had experience in a large commercial practice.

With respect to County Court judges you have a different situation, in the sense that they are appointed for each county, and in this respect and as a basis of comparison I point out that the County of Dufferin has only about 11 members of the bar while the County of York has I believe over 4,000 members of the bar. There is an essential inequality in the case load, but I would like to take this opportunity to pay tribute to Chief County Court Judge Willmott, who was appointed by the previous government, who has attempted to try to distribute judicial talents on a basis of equality so that in

those counties where there is a heavy volume of work judges may be brought in from other areas to assist in coping with the volume.

Mr. Churchill: In conclusion—

Mr. Macdonald: As prompted by the hon. Member for Winnipeg South Centre, in conclusion I would like to make reference to the remarks of the hon. Member for Vancouver East who appeared to suggest that in the case of a Superior Court Justice in the Province of Quebec the Minister of Justice should have suspended his salary. In the answer which I gave to the House on behalf of the Minister, as recorded at page 2667 of *Hansard,* I pointed out that in the opinion of the Department of Justice, under the existing provisions of the law it is not possible to suspend remuneration. I suggest to the hon. Member that this may not be by accident in the existing status of the law.

This is also related to the provision in section 99 of the B.N.A. Act which states that judges shall not be removed from office except on an address from both the Senate and the House of Commons, and this I add in my own words, in order to ensure the independence of the judiciary. Again, there are merits on the other side of the question. We should always be sure that the judiciary under any Government will have its independence maintained, save with the exception of the House of Commons and the Senate acting together on a joint address for the right of removal.

May I suggest to the hon. Member that to suggest in this case that a judge should be removed before the appeal of his conviction is determined is, in essence, prejudging that appeal. Whatever may be the ultimate consequences of the case it would not be judicious—and I think the hon. Member would agree with me under the circumstances —to remove him before the Court of Appeal in the Province of Quebec had the opportunity of declaring itself on the validity of the conviction.

Mr. Winch: I agree with the Parliamentary Secretary that when a judge is found guilty of perjury and sentenced to two years he should not sit on the bench during the period his appeal is pending. But, Sir, when a judge has been found guilty and sentenced to two years I do not believe that he should be paid his salary by the Federal Government during the time his appeal is pending. I'm darned if I can understand why the taxpayers of Canada have to pay a judge who is not sitting as a judge, who is appealing a two-year sentence for perjury.

While I am on my feet may I ask the Parliamentary Secretary, in what way does the House of Commons operate to discharge a judge? Recently the Minister of Justice said he had no power to remove a judge.

Mr. Diefenbaker: To suspend him.

Mr. Winch: I would like to ask the Parliamentary Secretary, does he not think it is the responsibility of the Minister of Justice to move in the House of Commons to discharge any judge whose name, reputation and honour come into question?

Mr. Macdonald: Did the Minister not say he had no power to suspend the judge without salary rather than in reference to outright removal?

Mr. Winch: That is right, but I would like to ask the Parliamentary Secretary whether it is his view that a private Member of the House should have to move such a motion and, if so, would it be in order? I think that more than one judge should have been removed from office for being incomptent.

Mr. Macdonald: The hon. Member has been a Member of the House for very much longer than I, and I do not know that I should be advising him on questions of order. I think he would find there has been no precedent in the House for removal.

Mr. Winch: I am grateful to the Parliamentary Secretary for this statement, because it confirms my belief that no private Member can move a motion to this effect, because it must be a joint motion of the House and the Senate. It has to come from the Government side of the House and it must come from the Minister of Justice. In other words, to sit as a judge you can be infantile, you can be senile and you can be a criminal. Unless the Minister of Justice moves a joint motion, then you can have senility, imbecility and criminality on the bench, and the House of Commons cannot do anything about it unless the Minister of Justice moves a motion. Would the Parliamentary Secretary like to deny that statement?

• (5:00 p.m.)

Some hon. Members: Carried.

Mr. Alkenbrack: I have a question for the Parliamentary Secretary. If the circumstances we have heard described are true, then I think it is the duty of the Minister of Justice to make this motion at the earliest

possible opportunity. I should like to ask the hon. gentleman—

The Chairman: Order. The discussion has been allowed to continue to some extent but I am wondering whether we are not going beyond the terms of the resolution before the Committee at the moment. The hon. Member refers to the possibility of the Minister of Justice making a motion. It seems to me this has nothing to do with the resolution at issue.

I should also like to caution hon. Members about the language they use when referring to judges and the courts of justice. In particular I would draw their attention to the Fourth Edition of Beauchesne, citation 152(4):

> All references to judges and courts of justice and to personages of high official station, of the nature of personal attack and censure, have always been considered unparliamentary and the Speakers of the British and Canadian Houses have always treated them as breaches of order.

I am making this reference for the general guidance of Members during the course of the discussion.

Mr. Alkenbrack: Thank you, Mr. Chairman. I submit I made no direct reference to the judges personally. I ask the Parliamentary Secretary by comparison whether or not a Member of Parliament can continue to draw his salary after being convicted of an indictable offence. Would he still be permitted to serve his constituency here in the House? The Government and the Department is carrying out a shocking policy and I think there is something political running through it. It is a sad commentary on the nation's affairs. Members opposite talk about the independence of the judiciary. I think that in the present case his independence is certainly preserved far beyond anything which needs be related to justice in this country.

Mr. Diefenbaker: I am interested in the degree to which the hon. gentleman failed to answer the question as to the judicial situation in the Province of Ontario. I am interested in this as one who has been made an honorary bencher and I am interested, naturally, as a member of the Bar of Ontario, in finding out why it is that the number of judges has to be increased.

This immediately brings before us the question of Mr. Justice Landreville. While it is perfectly true, as Your Honour has pointed out, that attacks on the bench are not made in the House of Commons, this is not an attack on the bench. It is a reference to a matter which is public property, and the benchers of Ontario have asked the Government to act. Surely the Government will give us an answer and tell us why a judge who was condemned in the report of a commission should continue to sit and dispense justice?

This leads one in turn to the case of a former Liberal Member of this House, whose name I did not mention but which has now been mentioned. What manner of administration of justice is this, when a judge is convicted of perjury; he appeals immediately—and sometimes appeals take a long time to be heard. He cannot be suspended, under the law, but he can be given leave of absence? Would this not have been a case for granting leave of absence without pay? Just imagine. This is the man who made way for the entry of Mr. Chevrier into Parliament. He went to the bench. And he draws $12,700 as a justice after his conviction. And the only answer we get from the Government is silence. We want to know what is happening, here. This is not a criticism of the bench; it is a criticism of a Government which allows things like this to happen.

I should like to know what would have happened if the Secretary of State for External Affairs, now removed from politics, was sitting over here and we were in office. Suppose this kind of thing happened. The ferocity of his verbosity would have been justified. We want to know all about this. We are anxious to keep the bench at a high level. But $12,700 is too much to be paid to a convicted justice to act the part of judge while he awaits his turn to go into jail.

I am amazed at this. I saw a question on the order paper. I could not believe it could be possible. Yet somebody told me it was so.

Mr. McIlraith: That is what the law provides. Do you want the law broken?

Mr. Diefenbaker: Ah, "what the law provides," what political considerations determine.

I recall a case in Manitoba in the days when Mr. Bennett was Prime Minister. A District Court judge was involved. I think the course followed at that time was to set up a commission to look into the matter. I know the judge subsequently ran for Parliament and was almost successful. But I wonder where the administration of justice is going in this country when you have one judge sitting in judgment, with a record such as was determined against him, without successful answer, by a Royal Commission and another who, merely as a coincidence, happens to have been a member of this House of Commons for

a long time and who today receives—what is it?—$1500 a month? He will not worry about when the appeal is called. It will not disturb him. He is getting $50 a day for waiting.

Mr. McIlraith: Would the right hon. gentleman permit a question? Is he arguing that it is legal to withhold the pay of this man as long as he is on the bench? I am talking about the latter case?

Mr. Diefenbaker: I am sure the hon. gentleman did not choose those words very carefully. If he is on the bench the Government should be on the penitents' bench in this regard. If ever there was a case for giving leave of absence without pay, this is one.

Mr. McIlraith: The law does not permit the withholding of his pay.

Mr. Diefenbaker: I ask the hon. gentleman this. Does he say in his capacity as President of the Privy Council that no such limitation can be made when granting leave of absence?

Mr. McIlraith: Yes.

Mr. Diefenbaker: I seem to recall a judge asking for leave of absence for some personal purpose. He asked to be relieved of his responsibilities as a judge in order to fill a certain public position and he was granted that leave of absence without pay.

Mr. McIlraith: Because he asked for it. But it is a statutory right which cannot be taken away arbitrarily by a government. That is the point.

Mr. Diefenbaker: If the hon. gentleman's memory on this question is no better than it was a moment ago, I am not going to accept that.

Mr. McIlraith: I would pit my memory against the imperfection of the right hon. gentleman's memory at any time.

• (5:10 p.m.)

Mr. Diefenbaker: I know it hurts. Instead of getting up like this, the hon. gentleman should be doing something to uphold justice in this country, rather than having a man paid as a judge while he waits for the opening of the prison gates. I want to see the correspondence to find out why leave of absence was given. I am going to have that correspondence asked for.

Mr. McIlraith: Good.

Mr. Diefenbaker: I shall do this to ascertain whether, when he applied for leave of absence, there was any suggestion that while he was on that leave of absence he should not be receiving his pay. It should be interesting to see. I will be very surprised if he is sitting—

Mr. Winch: Mr. Chairman, could I ask the Leader of the Opposition a question? With his experience as Prime Minister, Leader of the Opposition, and as an honourable member of the Bar, can the right hon. gentleman inform this House whether he has ever known of a judge who has been convicted, with an appeal pending, obtaining leave of absence with pay provided by the taxpayers of Canada? Does the right hon. gentleman have any record or knowledge of such a thing happening before?

Mr. Diefenbaker: Mr. Chairman, I would hope under heaven that it never happened before.

Mr. Winch: You mean it has happened now?

Mr. Diefenbaker: I know of no such incident. All I do know is this. I am waiting for the facts—the hon. gentleman was quick to interrupt—to ascertain whether the fact is that this justice asked for leave of absence so that he might wait around for the airing of his appeal and receive his pay during the interim. I would like to see the documents in that connection, because it is a terrible commentary on justice and one that naturally arouses one's feelings. After all, the bench is something set apart. I have appeared on hundreds of trials before judges who people sometimes said were appointed because they were politically fit, and I never knew a case in which that justice did not discharge his responsibility free of any suggestion of partisan bias.

We are not going to disqualify people from the bench because they are politically inclined, because they are going to give part of their lives to the public service. But once a judge, having been an outstanding politician, is convicted of an offence surely we should not anoint him by making payment to him of his salary, if there is any way in which it can be got around; and if there was not any way, when he asked for leave of absence it should have been subject to qualifications, one of those qualifications being, "You are not going to get your indemnity". Why give him leave of absence? Why not have him sit on the bench? The leave of absence is simply because he asked to be freed of the responsibility to dispense justice to others. This matter has to be subject to fuller examination than it has been given.

In so far as Ontario is concerned, I come back to this. What about Mr. Justice Landreville? Is he carrying on as a judge now; and is it in keeping with our traditions of justice that a judge against whom allegations were made should be dispensing justice? What do you think of litigants appearing before a justice under those circumstances?

What about Mr. Justice Meunier? Can you imagine appearing before him? Yet if you accept the principle that he can get the pay, why should not he also carry out his responsibility? It is so utterly preposterous that it is shocking. We will have more to say about that, Mr. Chairman, but I would like to hear about the Mr. Justice Landreville case, because as a Member of the Bar of Ontario the President of the Privy Council must know that the Benchers want to know why this extraordinary consideration was given a member of the court of justice in allowing him to sit after the condemnation that was levelled at him. And they have given a great deal of study to it; it is not a question of the Benchers coming to a determination on the basis of hearsay. All experienced lawyers are desirous of upholding the bench and the bar, and all have asked for action in Mr. Justice Landreville's case. Yet in the face of that he sits and dispenses justice. What about that? Is he doing his job well? Is he carrying out his responsibilities? Will there be an early retirement in his case so that there will be another appointment to the High Court of Justice of Ontario?

The Chairman: Order, please. We have passed five o'clock without reporting progress on the resolution. Perhaps that should be done at this time and then the House may decide, with the Speaker in the Chair, whether it wants to further consider this resolution in Committee.

Progress reported.

Mr. MacNaught: Mr. Speaker, I think it is the desire of all hon. Members' that the private Members' hour be waived for this day.

Mr. Deputy Speaker: Is it agreed to waive the private Members hour at this time?

Some hon. Members: Agreed.

JUDGES ACT

AMENDMENTS TO PROVIDE FOR ADDITIONAL JUDGES

The House resumed consideration in committee of the following resolution—Mr. Favreau—Mr. Lamoureux in the Chair:

[Mr. Diefenbaker.]

That it is expedient to introduce a measure to amend the Judges Act to provide salaries for two additional judges of the Supreme Court of Ontario, one additional judge of the Supreme Court of New Brunswick and one additional judge of the County Court of Ontario.

Mr. Winch: Mr. Chairman, I would like to ask the Parliamentary Secretary to the Minister of Justice if he would be kind enough to give the Members of the Committee a little more detailed information. The motion we now have before us has to do with providing salaries for additional judges in certain courts. When we are considering the appointment of additional judges I think we have the right to ask the kind of questions that we have been asking for a little while now. I would like to ask the Parliamentary Secretary to the Minister of Justice if he will kindly tell us, in view of the fact that we have a motion before us to appoint additional judges, what is the basis in legality and morality whereby, not one judge in Ontario, not one in Quebec, but any judge who has been found guilty under the law may still draw his pay. May I also ask, because we are now asked to appoint additional judges, whether those judges who have been found guilty under the law are going to be entitled, as criminals, to receive their pension under the Judges Act.

• (5:20 p.m.)

These are some of the things which are important when you consider the question of asking the authority of the House of Commons to appoint additional judges. I am still awaiting the answer to my question, Mr. Chairman. I asked a little while ago whether or not the Department of Justice will introduce measures to remove judges because of imbecility, lunacy, or criminality, or does the Government expect the private Member to do this? I should like an answer to these three questions.

Mr. Macdonald: Mr. Chairman, the hon. Member has inquired about the statutory authority for continuing these payments. I would point out that the receipt of a salary is a statutory right conferred by the Judges Act. I have referred to the fact—

Mr. Winch: You mean, he has that right even though he has been found guilty of perjury?

Mr. Macdonald: May I point out to the hon. gentleman that under our concept of law, while he has been found guilty at the trial level, he has the right of appeal against his conviction. I would suggest that before the judge is condemned by the hon. Member

and by other hon. Members as being a criminal he should at least have had the final judgment of the court in that regard.

Mr. Winch: I do not want to be misunderstood. He has a right of appeal; but my question is this—and it is also directed in this regard to the President of the Privy Council: Is it the policy of the Government that anybody, whether judge or civil servant, who is found guilty of a criminal offence shall, on appeal, be suspended with salary? If that is the case with a judge, I would ask the President of the Privy Council whether it applies to others in the civil service. I will say right now, Sir, that I know of some civil servants in the Post Office Department to whom it has not applied, and I should like to know why. If it is the policy of the Government that a judge, who has been found guilty of perjury, sentenced to two years and who has appealed, shall not work as a judge but be paid as a judge, I want to know why it is that someone not a judge, but a civil servant who is charged before the courts, is immediately fired and does not receive salary pending appeal. Is there one policy for a judge and another for a member of the working classes?

Mr. Macdonald: Perhaps I should point out again to the hon. gentleman that this policy is enshrined, first, in the British North America Act, which indicates the circumstances under which a judge can be removed from office, and second in an Act of this Parliament, the Judges Act, which defines the remuneration which judges receive and the circumstances under which a judge may retire from the bench. I think the Chair would probably rule me out of order if I attempted to give the hon. gentleman a legal opinion on the circumstances which might exist in the hypothetical case the hon. gentleman has put.

Mr. Winch: It is not hypothetical at all.

Mr. Macdonald: Then in that case may I point out that the hon. gentleman is commenting adversely on the conduct of a judge.

Mr. Orlikow: May I ask the Parliamentary Secretary a question. If we are dealing not with a hypothetical case but an actual case, then the Parliamentary Secretary is, of course, correct when he says that this judge is appealing his case, and that it is possible that he will win his appeal. Therefore he should not be judged guilty until his appeal has been decided by the court. If the appeal court upholds the decision made by the court in Montreal, would the Government be returned the money which this judge has received from the time of his conviction? The point made by the hon. Member for Vancouver East is a good one. I, and I am sure along with other hon. Members, have had representations made to me—I am glad to see the former Postmaster General is here—regarding cases which are in the process of being fought on appeal. They concern postal employees who, in the opinion of their superiors, have done things they were not supposed to do. They have been suspended or dismissed, their pay stopping at that very minute.

The Chairman: Order, please. It seems to me that this discussion is getting more and more away from the resolution before the Committee. There should be some respect for the rule of relevancy. The rule of relevancy provides that discussion should be limited, particularly in committee, to the very strict matter under consideration. The Chair has allowed a discussion which, to some considerable extent, goes beyond the terms of the resolution. However, when the hon. Member for Winnipeg North and the hon. Member for Vancouver East begin a line of questioning which has reference to the general policy of the Government regarding civil servants other than judges, I would respectfully submit that this line of questioning and argumentation is beyond the terms of the resolution before the Committee. I would ask hon. Members to try to limit their contributions to the resolution.

I should like to refer again to citation 152 of Beauchesne's Fourth Edition, particularly to paragraph (4), which reads in part as follows:

> The proper course for persons who feel called upon to attack the conduct of a judge is to proceed by way of a petition in which all the allegations are specifically stated so that the person accused may have full opportunity to answer the charges presented against him.

The understanding of the Chair is that much of the discussion that has gone on during the last half hour or so with reference to the conduct of judges is rather irregular. I would again suggest that hon. Members bear that in mind.

Mr. Orlikow: I defer, of course, Mr. Chairman, to your ruling. I do not think I was questioning the particular case involved; I was asking questions about the payment which has been made to the judge and was making the observation that, in my opinion, judges

are really no different from anybody else and should be treated in the same way as anybody else. I think the hon. Member for Vancouver East has raised a very good point.

I should like to return for a moment to the question raised by the Leader of the Opposition in regard to Mr. Justice Landreville a matter which has been raised a number of times. It seems to me that the hon. Member for Greenwood raised it when the former Minister of Justice, who is now High Commissioner to the United Kingdom, was still in the House. He raised it several other times as well. Some weeks ago he raised it when reports appeared in the press that the Benchers of the Bar Association of Ontario had made a submission to the Minister of Justice. Speaking from memory it seems to me that the Minister of Justice replied that he had received a communication from the Bar Association of the Province of Ontario and that he was considering the matter. I cannot think of a better time to get a report from the Minister on this matter than now, when we are considering the question of new appointments to the Supreme Court Bench of the Province of Ontario. I hope we will get some reply from the Parliamentary Secretary, or failing that that we will leave this matter over until a day when the Minister of Justice could answer some questions in this regard.

Mr. Thompson: Mr. Chairman, I just want to refer back to the topic under discussion, before we leave it, if you will give me permission to do so. Did I understand the Parliamentary Secretary to say that certain judges of the court who have had charges made against them and who are still receiving remuneration, are doing so because of certain existing statutory regulations? Do I take it this is apart from any Government policy, and that it is a regulation which permits this to happen?

Mr. Macdonald: I must apologize to the hon. Member. I was momentarily diverted.

• (5:30 p.m.)

Mr. Thompson: Is the Parliamentary Secretary stating to the House that statutory regulations are the reason for this situation existing whereby these judges now before the courts are receiving their salaries and that it is not a matter of Government policy?

Mr. Winch: May I ask a more direct question? Will the Parliamentary Secretary give the Committee the statutory authority whereby judges under sentences which have been appealed are paid their full remuneration? Where is that authority?

Mr. Macdonald: Mr. Chairman, I would point out that section 9 of the Judges Act, which sets out the judicial structure, or rather the salaries of the judges of the Province of Quebec, provides a statutory right in the judge to receive a payment. The opinion which I have advanced, and which was advanced in answer to the question on the basis of the Department's advice, is that there are no provisions now in the Judges Act which would entitle the Government to suspend payment to that particular judge while his appeal is pending. The status of the matter is that there is an absolute right in the judge under these circumstances to receive a salary. There is no right in the Crown—I am tendering a legal opinion here—to withhold payment of all or any part of that salary until the matter is determined.

Mr. Winch: Does this apply in Ontario?

Mr. Macdonald: I would say that the general provisions of the Judges Act would apply equally to all the provinces of Canada, and to the territories.

Mr. Winch: Does that mean then that when a judge has been found guilty of a charge and has appealed but is not now sitting as a judge, the law of Canada is that he has the right to draw his full salary as though he were sitting? In other words, under these circumstances there is no provision in the law of Canada to grant leave without pay? Is the Parliamentary Secretary saying that the law of Canada says that if a judge is in the position that two judges are, one in Ontario and one in Quebec, he can be granted leave but he cannot be granted leave without pay? Is that the situation?

Mr. Macdonald: The opinion of the law officers, which I have advanced several times today and in answer to the question the other day, is that there is no right to suspend payment under these circumstances.

Mr. Orlikow: Mr. Chairman, it is not surprising that this is so because, speaking from memory, this is the first case of this kind that we have had in Canada. However, having had one case it seems to me there is the possibility that we may have another similar case at some time in the future. Therefore I suggest that when the Government was bringing in this resolution it should have brought in another, or at least included a provision in this resolution to

provide for holding the salary payment in trust until the case is finally disposed of.

In my view the Government and the people of Canada are going to be in an extremely difficult and somewhat ridiculous situation because, as we all know, it can take six months, a year or two years before the case is ruled on by the highest court of appeal, and if that court rules in the same way as the initial trial court, where will we be? This person will have drawn a pretty healthy salary for all these months and years and so far as I can see there will be no way of recovering the money. I do not think we can fault the Government for not foreseeing something that has never happened before, but now that it has happened it seems to me the Government should have taken steps to protect the people of Canada in the future.

Mr. Winch: I have one more question, and it is not hypothetical but direct. If a judge is found guilty of perjury and the verdict is confirmed, will the Parliamentary Secretary tell me whether that judge, be he from Quebec, Ontario or anywhere else, will then be entitled to a pension as though he were not a criminal?

Mr. Macdonald: I think the hypothesis that the hon. Member has stated has just disabled his question. In any event, he has asked me for a legal opinion which I do not think it would be appropriate to give in general terms at this time.

Mr. Churchill: Mr. Chairman, I have a suggestion to make. We have been dealing with a problem which has far reaching consequences. The Minister of Justice really should be here to answer questions, although the Parliamentary Secretary has been dealing with them very ably. Perhaps the Acting Prime Minister will agree that in view of the time element the Committee should rise and report progress on this matter and let it stand until the Minister of Justice is here. We could then resume in committee to deal with the two resolutions on veterans affairs, and endeavour to pass those so we will have the bills to study over the week end. If this is agreeable to the Acting Prime Minister I think the Committee generally will agree to rise and report progress.

Mr. Martin (Essex East): Mr. Chairman, I think we all agree that the Parliamentary Secretary has handled the matter very well. However, I agree to the suggestion.

Mr. Churchill: I therefore move that the committee rise, report progress and ask leave to sit again.

The Chairman: Is the motion going to be submitted formally or is there agreement that we should rise?

Mr. McIlraith: Yes, there is agreement.

The Chairman: I am sorry; I did not realize that and I apologize.

Progress reported.

WAR VETERANS ALLOWANCE ACT

AMENDMENTS RESPECTING AMOUNTS, EXEMPTIONS, ADMINISTRATION, ETC.

Hon. Roger Teillet (Minister of Veterans Affairs) moved that the House go into Committee to consider the following resolution:

That it is expedient to introduce a measure to amend the War Veterans Allowance Act, 1952, to incorporate into the Act Schedule A as authorized by the Appropriation Act No. 10, 1964; to allow for further exemptions in property and income; also to provide for certain changes in connection with the administration of the Act.

Motion agreed to and the House went into Committee, Mr. Lamoureux in the Chair.

Mr. Teillet: Mr. Chairman, in accordance with requests from some hon. Members and of the veterans organizations and their officials I propose to take a moment or two to place on the record a brief history and some facts pertaining to the proposed bill.

The War Veterans Allowance Act, now in its 35th year of operation, has been amended 12 times since it was first passed in 1930. These amendments from time to time have broadened the scope of the Act which has become one of the most rewarding Acts contained in the Veterans Charter. Originally known as the "burnt-out" pension, it has been designed to help qualified veterans who, by reason of age or infirmity, are no longer able to make their way in earning their living, and to provide maintenance to widows and orphans of recipients of the allowance. The importance of this Act and the expansion of its benefits since 1930 have been substantial, so that at the end of this last fiscal year 84,213 veterans, widows and orphans were recipients under the War Veterans Allowance Act at a cost of approximately $91,500,000.

• (5:40 p.m.)

Due to the passage of time, only one veteran of the Northwestern Field Force Campaign of 1885 remains on the War Veterans Allowance rolls. For the second year

in succession, also due to the ravages of time, the number of approved applications from the veterans of World War I has been less than the number of approved applications from veterans of World War II. However, the number of recipients has steadily increased. I feel you will agree it is a source of pleasure to know that our aging veteran population has this security provided for them as they reach the end of the road, either by reason of failing health or age.

In the bill which the Government proposes to bring before you, you will be asked to increase the maximum equity in real property which is allowed a recipient. At the present time, when a recipient enters hospital, a small deduction from his allowance is mandatory under the Act. You will be asked to consider an amendment to abolish any reduction of the allowance when a recipient is hospitalized. This I know will be a welcome amendment for many of our veterans who from time to time enter hospital.

The bill will ask also for amendments granting certain additional discretionary powers to the War Veterans Allowance Board and to improve the administration of the Act.

The substance of the amendments that will be presented in the bill will in effect be a corollary to the increases in the rates and the substantial increases in the ceilings, that were passed by the House last December, these increases being retroactive to September 1, 1964. At that time, I would remind you, the single rate was increased from $84 to $94 per month with the single ceiling being raised, on a monthly basis, from $108 to $133; the married rate at that time was raised from $144 to $161 per month and the married ceiling, on a monthly basis, was raised from $174 to $222; orphans rates were also increased proportionately. Veterans organizations and veterans at large have expressed their satisfaction with those increases which are now enjoyed by approximately 90,000 recipients of the allowances.

It has been the history of this House that improvements in veterans legislation have always received wholehearted support and I am sure that the bill, which stems from this resolution, coupled with the very recent retroactive increases in the rates and ceilings granted last December, will improve the War Veterans Allowance Act which is designed to benefit that portion of our veteran population now advanced in years.

[Mr. Teillet.]

Mr. Churchill: With this explanatory statement on the record, I think it is agreeable to the Members of our party to postpone discussion until we have the bill in front of us. Therefore we, without debate, would pass the resolution and first reading.

Mr. Herridge: Mr. Chairman, this group agrees to take the same course of action. I am glad the Minister made the explanation in respect of the bill. If we can get first reading of the bill this evening, we will have an opportunity to read it over the week end, and then I presume deal with second reading early in the week. If we have any comments to make, they can be made at that time.

Resolution reported and concurred in.

Mr. Teillet thereupon moved for leave to introduce Bill No. C-127, to amend the War Veterans Allowance Act.

Motion agreed to and bill read the first time.

VETERANS' LAND ACT

AMENDMENTS RESPECTING AUTHORITY OF DIRECTORS, HOME CONSTRUCTION ASSISTANCE, ETC.

Hon. Roger Teillet (Minister of Veterans Affairs) moved that the House go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Veterans' Land Act:

To establish a revolving fund for certain capital receipts and expenditures to be called the Veterans' Land Act Fund;

To provide authority for the Director to pay certain debts incurred by veterans to make improvements to land;

To give the Director greater discretion in varying the payment terms of an agreement between the Director and the veteran entered into under subsection (1) of section 10;

To change the basis for determining the maximum limit of financial assistance that may be given to a veteran under subsection (3) of section 10;

To allow a veteran to lease premises occupied by him under a contract under section 10 after the expiration of a period of ten years;

To authorize the Director, with the consent of the Minister, to enter into a contract with a veteran who is in default in respect of a contract previously entered into under the Act;

To require the Director to accept the amount of a contract debt as the cost to the Director before the expiration of ten years from the effective date of the contract under certain conditions;

To extend the purposes for which the proceeds of sale of land, improvements, livestock or farm equipment may be used;

To extend the purposes for which funds may be advanced by the Director to a veteran under subsection (1) of section 15;

To authorize the Director to grant assistance to veterans who have received assistance under the

Veterans Rehabilitation Act or the War Service Grants Act under certain conditions;

To extend the purposes for which a grant may, pursuant to sections 38 or 39, be used;

To increase the maximum home construction assistance from twelve thousand dollars to eighteen thousand dollars;

To increase the maximum loan available under section 64 from twenty thousand dollars to forty thousand dollars and to extend the purposes for which a loan, pursuant to this section, may be used;

To extend the purposes for which a loan may, pursuant to section 64A, be used, to increase the maximum loan available thereunder from twelve thousand dollars to eighteen thousand dollars and to vary its provisions under certain conditions;

To reduce the deposit payable by a veteran under section 65, to extend the purposes for which a loan made thereunder may be used, to increase the maximum loan available under this section from four thousand eight hundred dollars to ten thousand dollars and to provide for adjustment on loans partially advanced at the coming into force of the amendment;

To provide for consolidation of all outstanding farm improvement assistance loans between a veteran and the Director in one agreement and, for the purposes of such consolidation, to authorize appropriate variation of the repayment period specified in each of the outstanding agreements;

And to provide further for certain changes in consequence thereof and also in connection with the administration of the Act.

Motion agreed to and the House went into Committee, Mr. Lamoureux in the Chair.

Mr. Teillet: Mr. Chairman, the proposed amendments to the Veterans Land Act will update its provisions to serve the needs of veterans already settled on farms, small holdings and other properties across Canada. They will also make available increased loan amounts for those veterans who wish to be established under the provisions of the Act. Some new concepts leading to improved administration are incorporated as well.

Land settlement legislation for veterans has been a feature of Canadian agriculture for 47 continuous years. Experience under the Soldier Settlement Act after World War I and the Veterans Land Act, after World War II has led to the development of policies, particularly in the field of farm credit, that have had a major impact on Canadian agriculture. Once again, the proposals outlined in the resolution will encompass the application of new techniques which may serve as a pattern for a fast changing Canadian picture.

Realizing the great desire of most veterans to remain under the Veterans Land Act, the farm financial amendments will be brought in line with those of the federal Farm credit Act. Not only is it proposed to increase the maximum loan ceiling for farms to $40,000, but the purposes for advancing assistance will be broadened. Consistent with the pattern of a changing farm community, where new sources of income are developing largely from the tourist and summer recreation trade and other non-farm sources, financial assistance will be provided to assist a small farmer to develop a small business which may not be related to farming. He may utilize an appropriate part of his farm for tourist or recreational purposes or he may engage in some activity connected with agriculture and forestry development. Evidence indicates that the small farmer must supplement his income from sources other than farming. Admittedly, the land belonging to some small farmers will be absorbed by others, but for the majority of that group who will remain on their farms there is merit in providing an opportunity to take advantage of this new source of off-farm income.

It is anticipated that when the qualifying period is ended as of October 31, 1968, there will exist about 20,000 veterans who will be eligible to take advantage of the Act. Nearly all of this number will apply as small holders, officially classified as part-time farmers. The maximum loan ceiling for this group and for commercial fishermen will be increased to an amount comparable to that available from the Central Mortgage and Housing Corporation. It will be possible to have $18,000 to buy a property and repay re-establishment credit for a $2,600 down payment. Veterans who wish to be established after the cut-off date of October 31, 1968, must have been issued a V.L.A. qualification certificate. Those who are qualified in this manner need not have repaid re-establishment credits at that date since it will be possible, if desired, to have this amount incorporated in the subsequent agreement of sale with the Director of the Veterans Land Act.

Among the changes which might be classed as administrative, greater flexibility will result and I would like to mention a few of these proposals. They are, the establishment of a Veterans Land Act revolving fund of $380 million for supplying capital loan expenditures, which will facilitate the lending functions; arrangements to permit the payment by a veteran of interest only during adverse crop periods or sudden periods of long illness; arrangements to reduce the minimum amount of group life insurance to 50 per cent of the debt and to permit the veteran's spouse to be covered. Then, proposals will be made which will make the veteran responsible for maintaining insurance on his buildings. A further change will widen the purposes for a grant on Dominion, Provincial and Indian land settlements, and en-

sure all veterans are treated in a like manner when their property is taken for public purposes.

• (5:50 p.m.)

In order to motivate qualified veterans to ultilize the provisions of the Act without undue delay after 1968, applications for financial assistance must be made by March 31, 1974. Applications for additional loans from any established veteran will not be accepted after March 31, 1977. By this late date the average age of veterans will be approximately 62 years. As a consequence of inserting these dates in the Act the Director can retain and utilize his trained staff to the best possible advantage.

Mr. Churchill: Mr. Chairman, so far as our party is concerned we propose to follow the same course on this resolution as on the other one—pass it now and get first reading, and then make our comments on second reading when it comes before the House again, and in Committee of the Whole. We have the Minister's statement, and if we have time to study the bill over the week end, this will be satisfactory.

Mr. Herridge: This is a very important amending bill and has been necessitated by changing circumstances. We in this party are quite willing, having heard the Minister's statement, to support the passing of the resolution and have first reading, so that we can have his statement and the bill to examine over the week end, and make our contributions on second reading and in Committee of the Whole.

Resolution reported and concurred in.

Mr. Teillet thereupon moved for leave to introduce Bill No. C-128, to amend the Veterans Land Act.

Motion agreed to and bill read the first time.

BUSINESS OF THE HOUSE

Mr. McIlraith: Mr. Speaker, in indicating the business for Monday I may say it had been the intention of the Government to move to go into Committee of Supply on Monday, to give hon. Members an opportunity to express their views on the course which the Government has followed with respect to the Address to the Queen concerning the Legislative Council of Quebec. The representatives of the parties opposite have indicated that they do not wish to use that opportunity for that purpose. Since the interim supply debate will give an opportunity for any hon. Member who wishes to express his views on that question, the Government has decided to call interim supply on Monday, as soon as we have disposed of the third reading of the Income Tax bill.

With regard to the passage of other legislation yet to be disposed of, perhaps it would be better if I were not too rigid at the moment as to the sequence in which it will be presented.

Mr. Churchill: May I first say with regard to the early part of the Minister's statement that we never accept the situation, here, where the Government suggests to us what we will do in the time at our disposal. If we want to move amendments on interim supply they will be amendments of our choice.

Mr. McIlraith: That is what I sought to make clear.

Mr. Chatterton: Will the bill respecting veterans legislation be available?

Mr. Teillet: It is available now.

Mr. Peters: Is it the intention of the House Leader to have Wednesday as a target date for adjournment for summer recess?

Mr. McIlraith: Well, Mr. Speaker, I hesitate to be very dogmatic about these things because I find I get into trouble if I indicate a specific date for adjournment; but it was the hope that we could come to adjournment for the recess possibly late on Tuesday night. There are just the veterans legislation, interim supply, supplementaries, and the bill indicated in the Prime Minister's statement having to do with incentives to designated areas, to be dealt with.

Mr. Peters: With respect to the new incentives to designated areas, is it the intention of the Government to proceed only with the resolution stage? This is a fairly extensive measure.

Mr. McIlraith: No; it is the intention to proceed with the bill. I think when hon. Members see it they will find that that is the desirable course, and will commend itself to them.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

APPENDIX

STATISTICAL INFORMATION RESPECTING EDUCATION FOR CHILDREN OF WAR DEAD

Table I

CHILDREN OF WAR DEAD (EDUCATION ASSISTANCE) ACT

Applications Approved For Training 1953-1964 and Estimated to 1968

Year	Cases Approved For Training	Projection of New Cases Anticipated
1953-54	306	
1954-55	187	
1955-56	186	
1956-57	193	
1957-58	234	
1958-59	300	
1959-60	330	
1960-61	367	
1961-62	448	
1962-63	374	
1963-64	354	
1964-65		275
1965-66		240
1966-67		180
1967-68		160
1968-69		130

Note: The projection in this table is based upon known potential students in secondary schools.

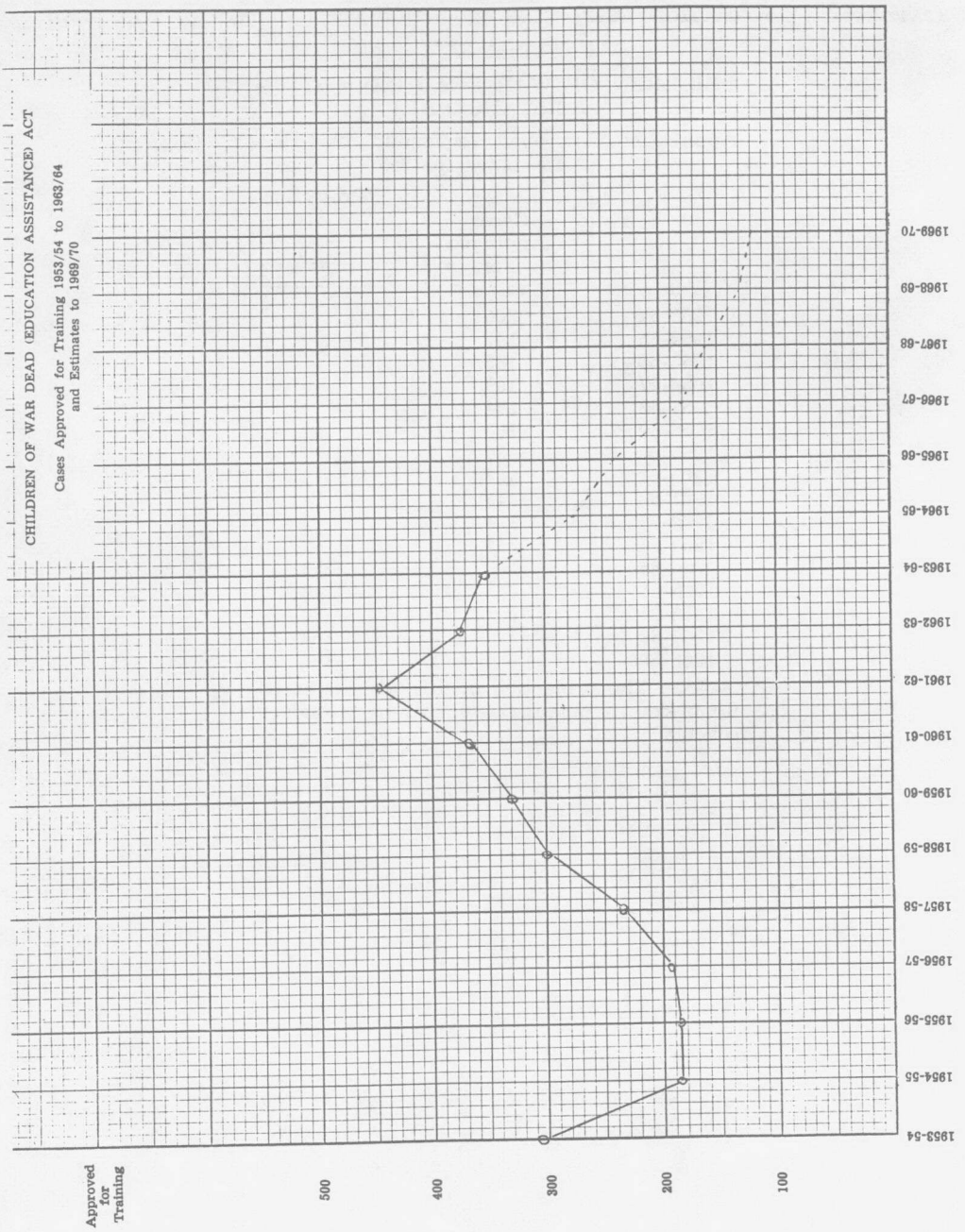

CHILDREN OF WAR DEAD (EDUCATION ASSISTANCE) ACT
Cases Approved for Training 1953/54 to 1963/64
and Estimates to 1969/70
Approved for Training
500
400
300
200
100
1953-54
1954-55
1955-56
1956-57
1957-58
1958-59
1959-60
1960-61
1961-62
1962-63
1963-64
1964-65
1965-66
1966-67
1967-68
1968-69
1969-70

Table II

CHILDREN OF WAR DEAD (EDUCATION ASSISTANCE) ACT

Number of Students in Training at the Year-end 1953/54 to 1964/65 and Estimates to 1971-72.

Year	No. of Students In Training at Year-end	Estimate of Active Training Strength at Year-end
1953-54	281	
1954-55	348	
1955-56	411	
1956-57	462	
1957-58	475	
1958-59	579	
1959-60	696	
1960-61	821	
1961-62	942	
1962-63	955	
1963-64	1,014	
1964-65	920*	
1965-66		840
1966-67		790
1967-68		700
1968-69		600
1969-70		500
1970-71		450
1971-72		420

* Based upon figures at December 31, 1964 —estimated to March 31, 1965.

Note: The estimates in this table are based upon current trainee load, estimated intake and a course length of 4 years for university and 3 years for nursing and technology courses.

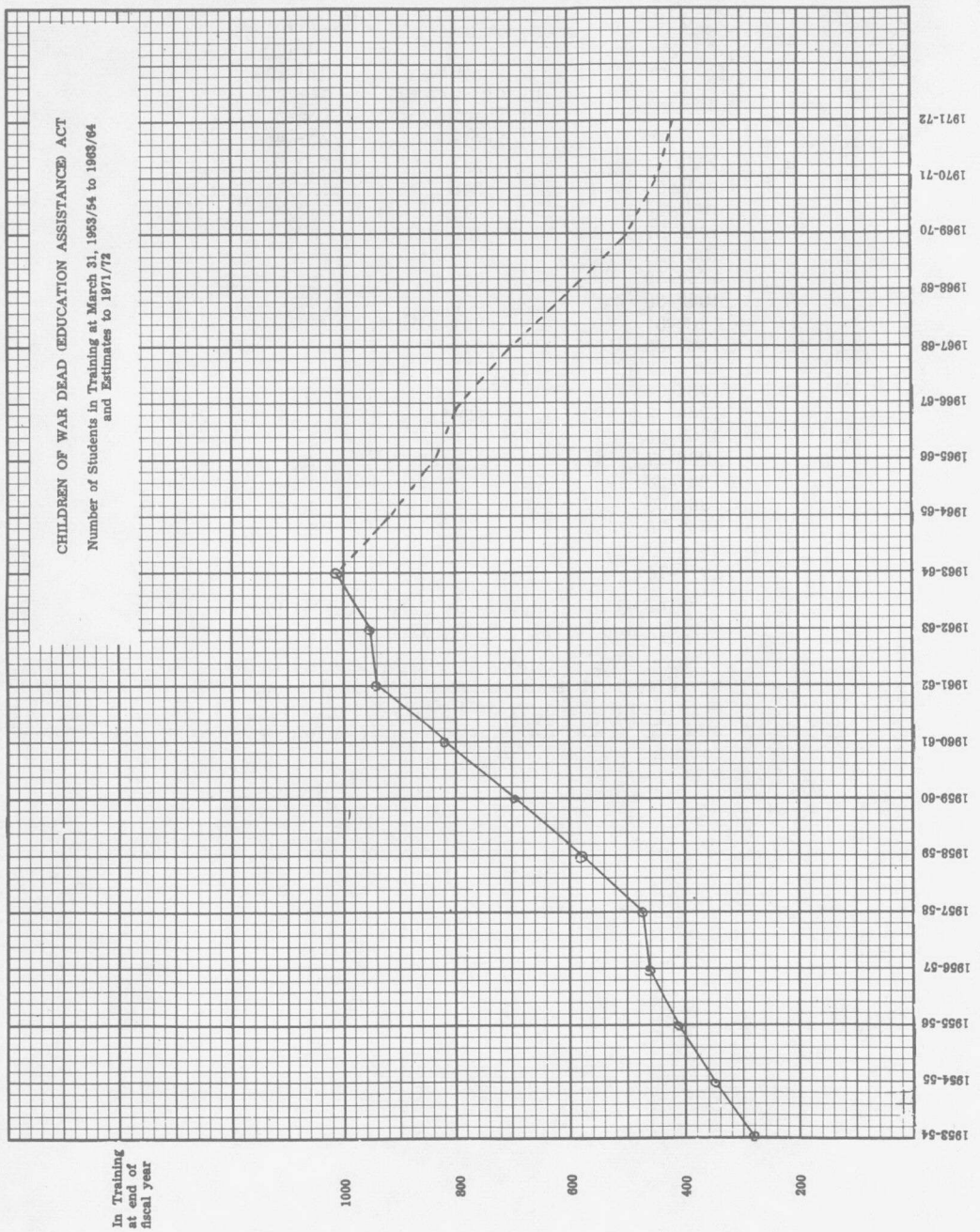

CHILDREN OF WAR DEAD (EDUCATION ASSISTANCE) ACT
Number of Students in Training at March 31, 1953/54 to 1963/64 and Estimates to 1971/72
In Training at end of fiscal year
1000
800
600
400
200
1953-54
1954-55
1955-56
1956-57
1957-58
1958-59
1959-60
1960-61
1961-62
1962-63
1963-64
1964-65
1965-66
1966-67
1967-68
1968-69
1969-70
1970-71
1971-72

Table III

CHILDREN OF WAR DEAD (EDUCATION ASSISTANCE) ACT

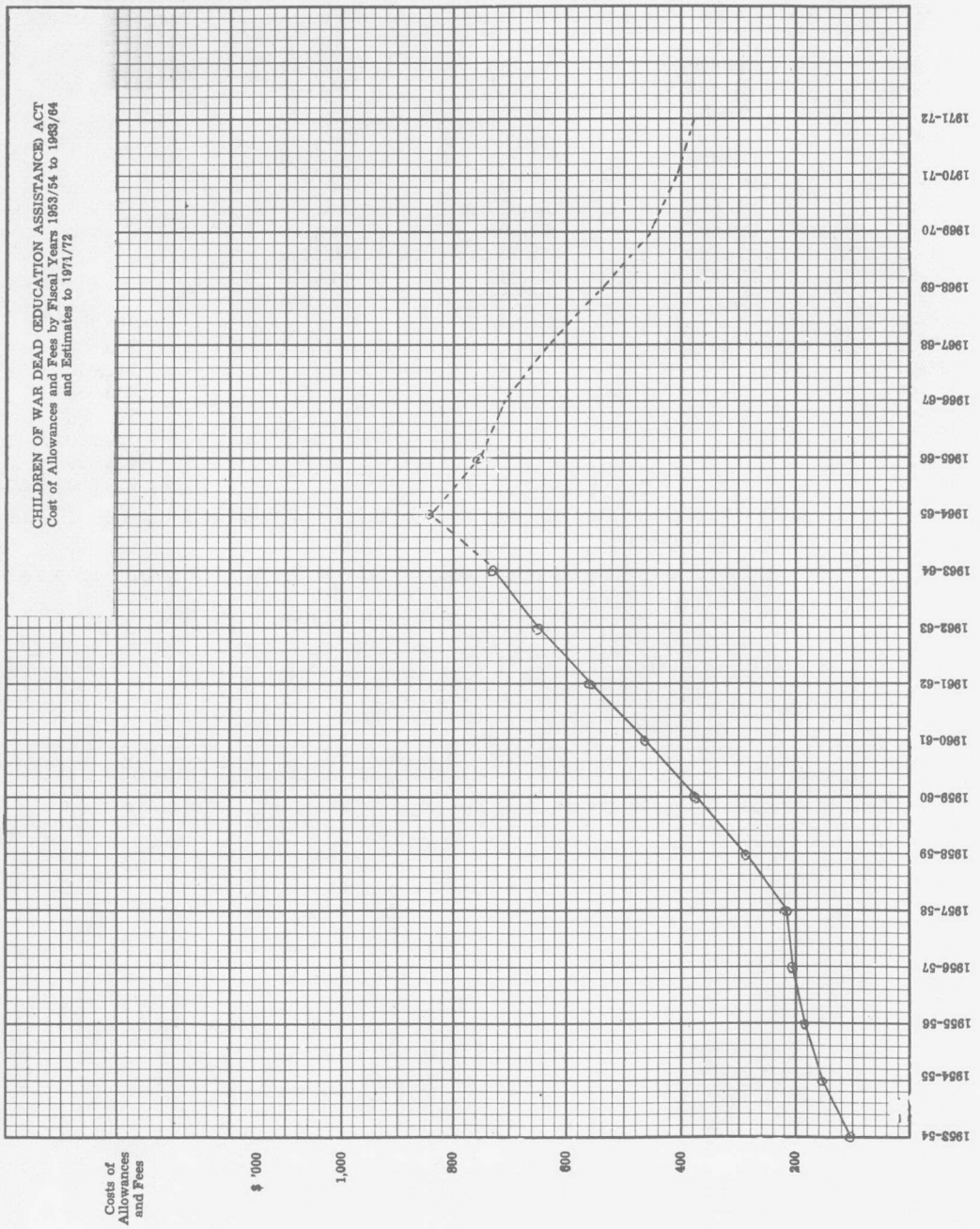
Expenditures 1953/54 to 1963/64 with Estimates to 1971/72
(to nearest $100)

Year	Cost of Fees	Cost of Allowances	Total	Estimated Total Cost (Including Proposed Amdts.)
	$	$	$	$
1953-54	59,600	47,200	106,800	
1954-55	78,400	76,500	154,900	
1955-56	97,800	84,700	182,500	
1956-57	109,600	97,900	207,500	
1957-58	113,400	102,700	216,100	
1958-59	143,000	145,800	288,800	
1959-60	181,000	196,600	377,600	
1960-61	229,600	234,600	464,200	
1961-62	294,600	265,700	560,300	
1962-63	316,500	331,800	648,300	
1963-64	345,200	386,700	731,900	
1964-65				845,000*
1965-66				756,000
1966-67				711,000
1967-68				630,000
1968-69				540,000
1969-70				450,000
1970-71				405,000
1971-72				378,000

*Approximately $20,000 of the increase due to increased fees and balance due to proposed increase in allowances.

Note: Estimates of costs are based upon basis of 1964-65 levels of fees and proposed levels for allowances.

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CHILDREN OF WAR DEAD (EDUCATION ASSISTANCE) ACT
Cost of Allowances and Fees by Fiscal Years 1953/54 to 1963/64
and Estimates to 1971/72
Costs of Allowances and Fees
$ '000
1,000
800
600
400
200
1953-54
1954-55
1955-56
1956-57
1957-58
1958-59
1959-60
1960-61
1961-62
1962-63
1963-64
1964-65
1965-66
1966-67
1967-68
1968-69
1969-70
1970-71
1971-72

HOUSE OF COMMONS

Monday, June 28, 1965

The House met at 2.30 p.m.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF U.K. CHANCELLOR OF THE EXCHEQUER

Mr. Speaker: With the kind permission of all hon. Members, may I say that having just returned from the United Kingdom myself it gives me the greatest pleasure indeed to welcome here this afternoon Right Hon. James Callaghan, Chancellor of the Exchequer of the United Kingdom, who is sitting in the Speaker's Gallery. We hope, Sir, that your stay here in Ottawa and in Canada will be most interesting and profitable.

Some hon. Members: Hear, hear.

SUPPLEMENTARY ESTIMATES, 1965-66

A message from His Excellency the Governor General transmitting supplementary estimates "C" for the financial year ending March 31, 1966, was presented by Hon. Walter L. Gordon (Minister of Finance), read by Mr. Speaker to the House, and referred to the Committee of Supply.

INDUSTRY

ASSISTANCE TO WORKERS AND INDUSTRIES AFFECTED BY AUTOMOBILE AGREEMENT

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I would like to make a brief statement which I am sure will be of interest to the Members of the House. As the House is aware, the automotive plan is designed to achieve a substantial expansion in production and employment in Canada and to promote improved efficiency in the automotive industries. Under the plan production in Canada will increase by several hundred million dollars annually and employment in the industry will grow accordingly. In this regard, during the year in which the previous automotive plan was in effect employment in the automotive industries increased by nearly 10,000 workers. Under the current plan the motor vehicle manufacturers and many parts manufacturers have already announced major expansion plans.

Organized labour and the automobile and automobile parts industries have welcomed the plan as a bold and constructive measure which is in the national interest. A major economic expansion of this nature, however, is bound to result in certain transitional adjustments for some workers and firms. In such cases there may be a temporary lay-off of workers while the company re-equips. There will be instances where firms will find it necessary to expand or re-equip their facilities to produce in greater volume and in the most efficient manner.

While such adjustments will take place in the context of very substantial growth in the industry, the Government believes that assistance should be provided to those who may be affected by the adjustment process in order to ease possible interim adverse effects. As a result the Government proposes to implement a program of transitional adjustment assistance for workers and firms in the automotive products industries. My colleague the Minister of Labour immediately following will be outlining the measures which the Government proposes to implement for workers in this industry. I would like to outline the program of adjustment assistance for firms.

The automotive plan offers new opportunities to Canadian automotive parts manufacturers for expanded production, rationalization of output and reduced costs. If Canadian parts makers are to take advantage of the plan, they must be increasingly competitive and flexible in their operations. In some instances they will be asked by their customers to make new products or to manufacture existing components on an expanded scale and more efficiently. As a result many Canadian parts makers will have to engage in substantial re-equipment and expansion programs to take advantage of the opportunities provided by the plan. In addition, increased working capital will be required in order to operate at expanded levels.

The Government wishes to ensure that every automotive products manufacturer who is energetic and shows initiative will have the opportunity to participate in the plan and is not prevented from doing so by an inability to acquire sufficient capital to accomplish

these objectives. As a result the Government is proposing to make loans available to those automotive products producers who have a reasonable prospect of profitable operation but who otherwise would be prevented from doing so through lack of financing. These loans will be made for the purpose of acquisition, construction, installation, modernization, development, conversion, or expansion of land, building, equipment, facilities or machinery and for use as working capital. They will carry an interest rate of 6 per cent and would be repayable over not more than 20 years for land and buildings and 10 years for other purposes.

A special fund will be set up for the purpose of making these loans, and the administration of this program will be the responsibility of an adjustment assistance board which is being set up specifically for this purpose. The Industrial Development Bank will be cooperating with the board and will be responsible for the day to day administration of the loans which are made under the program. Firms manufacturing the automotive products covered by the automotive plan will be eligible for the loans, except for companies which manufacture automobiles or firms affiliated with automobile manufactures.

The Government feels that this transitional assistance program for firms in the automotive products industry will make a real contribution to assisting firms, especially the smaller ones, to adjust to and take advantage of the many opportunities for expansion and efficiency provided by the automotive plan.

Perhaps, Mr. Speaker, it would save the time of the House if my colleague the Minister of Labour could be heard on the complementary labour aspects of this program before general comments are offered.

Some hon. Members: No.

Mr. Starr: Mr. Speaker, I think we should follow the order of procedure whereby one Minister makes an announcement regarding one phase of a policy and we comment on that at once, rather than having two statements and amalgamating our comments in respect of both phases of the policy.

Mr. A. D. Hales (Wellington South): Mr. Speaker, the House has heard an interesting announcement from the Minister of Industry, but it is just another case of this Government having been prodded by the Canadian car and car parts manufacturers to the point that they have had to do something. The Canadian car parts manufacturers were put in such a terrible position that something had to be done to help them survive. This is another case where this Government proposed legislation in a matter dealing with the United States Government but forgot about the industries and people who would be displaced until this fact was brought to their attention. They now come forward with recommendations regarding steps to bail these people out. If, Mr. Speaker, they had first of all removed the 11 per cent sales tax, the Government would have bailed these people out of their difficulties.

The Minister speaks of adjustments, more loans, and an adjustment assistance board. We are getting such a conglomeration of loan boards and assistance boards from this Government today that we hardly know where we are. We have an Industrial Development Bank which was set up to take care of industry and to assist them in manufacturing; but no, the Government have to get mixed up with another board. They leave the Industrial Development Bank out of the picture, although the Minister did say that they were being brought into it to some extent.

The Minister mentioned an interest rate of 6 per cent on these loans. This is altogether too high an interest rate, in that people in this type of business do not make a sufficient return to be able to pay it. So I say, in conclusion, Mr. Speaker, that this is another hodgepodge, another means by which to bail these people out.

Mr. Nielsen: Fumbling and bumbling.

Mr. Hales: We hope this effort, such as it is, is not too late. I am sure the Minister of Labour will say something about displaced persons, because in Windsor today another 500 workers are being laid off, and 1,500 will be laid off by the end of July. This is the situation confronting us as a result of the Canada-U.S. car treaty in which this Government involved the country.

Mr. Scott: Mr. Speaker, I should like to say to the Minister of Industry that this is such an important and complicated statement that really we should also hear the Minister of Labour, since the two announcements are complementary to each other. I wonder whether I could have your indulgence to withhold my comments until we have heard from the Minister of Labour.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I agree with the hon. Member for Danforth and the House Leader for the Conservative Opposition that these two announce-

ments should have been made together because they are interrelated.

The announcement which has just been made concerns a most important issue and is a statement of the policy of the Government as far as the automotive industry and the recent arrangements made with the United States are concerned. If in the first place the Government had been concerned with the consumers of automobiles instead of passing the benefits of this agreement over to the manufacturers of automobiles, we would have had a far different situation today.

Because the benefit of this agreement has gone to the manufacturers of automobiles the Government is now forced to come to the assistance of the automotive parts manufacturers to provide the capital they need to be able to expand. It seems to me that it is a principle of enterprise that if you have a market for the product you are intending to manufacture there should not be any trouble in raising the money required in order to build your factory. But the approach of this Government has been a backward one from the very beginning, and they are now going backward again by way of taking Government money to provide for development of a parts manufacturing program.

What is wrong with our own Canadian investment dollar? Why cannot this money be found on the private market from people with savings and through the credit facilities of the tremendous corporations who are concerned in each case? In this way they could get the money from the investment and savings of Canadian people without requiring the Government to provide this capital.

It seems to me that the mistake made in policy in the first instance is now being repeated in order to give the manufacturers of automotive spare parts the same advantage that was given to automobile manufacturers. This is a complete mistake of policy, and is the kind of thing that is pushing us further and further into the situation where Government capital has to be provided to facilitate the expansion of our own industries. We are not just assisting the slide of the country into Government or state control; we are galloping headlong into it.

For those reasons I think this is a complete mistake of policy, and a case of one wrong perpetuating another. I regret that the Government has put itself into the position where it has to adopt this policy in order to protect the automotive parts manufacturers.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, we are witnessing a rather strange paradox in this country: the Canadian government borrows more and more, and thereby lends more and more. It is a strange paradox to see a government find ways to lend money while it is deep in debt. Why? Because laws have been passed to foster the growth of the Canadian automobile industry and it has become obvious that such laws were passed hastily and without sufficient study; new laws now have to be passed in an attempt to rescue certain related sectors which were affected by the previous legislation.

In a word, what we have are specialists and experts in certain fields who suggest the government pass laws which can be good for some areas, but which can create difficulties for other areas of the Canadian economy.

That is exactly what we have today. There has been too great a desire to help big companies. Perhaps debts had been incurred with the big automobile corporations. They were assisted and we are now faced with a deplorable situation, which arises from the fact that the government, with the Minister of Finance (Mr. Gordon) in the lead, has not yet understood the real problem facing our present economic system.

In my opinion there is too great a tendency to finance production and too little desire to put at the disposal of the consumer the necessary purchasing power to absorb production. As a result, people on both sides of the fence, whether producer or consumer, are forced to borrow. Now, as the government has already borrowed considerably there is hardly any capital available and, today, the government is obliged to lend once more to private enterprise. This means that on both sides, producer as well as consumer, the situation is once more deplorable. In fact, the producer has to borrow from the government to finance his production, while the consumer, that is the buyer, has to go to finance companies to borrow again and again, in order to pay for production that has already been financed by means of loans.

Are we not heading for a vicious circle? Producers are borrowing in order to produce and consumers are borrowing to buy products which borrowing helped to produce. This is obviously a vicious circle and we do not know how to get out of it.

I am saying to the Minister of Industry (Mr. Drury), who seems determined to take all kinds of steps to assist the various sec-

tors of the economy, that there is but one solution to get the economy out of the crisis, to end unemployment and to help designated areas; that can only be done if the consumer has the money he needs to buy what is produced.

When the consumer buys the production without borrowing, he finances production itself without the government constantly having to make loans to the producer.

Let us see to it that the consumer has the necessary purchasing power because he will then be able to finance production without everybody getting into debt, that is the government, the producer and the consumer who needs the products.

[*English*]

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, as the Minister of Industry has stated, the major expansion that will result from the Canada-United States automotive agreement will greatly increase employment in Canada. This expansion will involve a considerable reorganization of production with some consequent lay-offs of workers. These workers should not be asked to bear the entire financial burden of their unemployment. Because the economy as a whole will benefit from the agreement, it is reasonable that the people of Canada and the automotive companies assist the workers in meeting their adjustment problems.

I wish to announce the details of the Government's transitional assistance benefit program, developed for such workers. This program will provide assistance benefits ranging from 62 per cent to 75 per cent of the worker's weekly pay depending on the number of his dependants, provided this benefit does not exceed 65 per cent of average weekly wages and salaries in the motor vehicle and motor vehicle parts industries, which currently amounts to close to $75.

The duration of benefit is based on the length of employment in the automotive and parts industries. It can be a maximum of a year and a half for workers completing training programs. To be eligible, a worker must have at least 30 weeks of employment in the last 52 weeks prior to lay-off, which will entitle him to four weeks of benefit, with an additional week of benefit for every week of employment in excess of 30 weeks up to 26 weeks of benefit. For workers with more than 52 weeks of employment, a week of benefit will be received for every two weeks of employment up to a maximum of 52 weeks of benefit. To qualify for transitional assistance benefit or TAB payments, a worker must also be qualified to receive unemployment insurance benefits.

Some of the workers laid off in these industries would normally be eligible for supplementary unemployment benefits. SUB is a scheme of unemployment benefits provided for in the labour-management agreements of the major motor vehicle companies and in a few of the motor vehicle parts companies. Under the terms of SUB plans, SUB payments would not be made if the transitional benefit together with unemployment insurance equalled or exceeded 62 per cent of the worker's pay plus a maximum of $6 for dependants. In these instances, under the TAB plan, the companies would be relieved from paying SUB benefits to their workers. It is the Government's view, however, that the companies, which will be receiving direct financial benefits under the automotive agreement, should meet part of the financial burden of the lay-offs. Accordingly companies with SUB plans will be asked to contribute to the TAB fund an amount equivalent to what they would have been required to pay to workers eligible for SUB benefits.

The payment of TAB benefits to workers eligible for SUB is conditional on such payments into the TAB fund by those companies having SUB plans. This provision would not affect workers who are employed in companies with SUB plans, but who themselves are not eligible for SUB. I am glad to educate hon. Members in trade union terminology. These workers would receive transitional assistance benefits according to their entitlement.

The determination of whether workers laid off in the industry are eligible for TAB will be made by the adjustment assistance board. Workers will be eligible if the board finds that a significant number or proportion of the workers of a firm or plant will be laid off for a period of at least 30 days and that the lay-off was caused by a termination or significant decrease of production or activity arising from the operation of the Canada-United States automotive agreement.

Parliamentary approval will be sought for this program through an item in the amount of $5 million included in the supplementary estimates of the Department of Labour.

Hon. Michael Starr (Ontario): If the Minister of Labour went to Washington to bring in this plan, he should have stayed at home. I recall that on May 11, when he spoke in

this House, he said that whatever programs are available for displaced workers in this country, they are equivalent to what is provided in the United States under similar circumstances. Evidently the Minister has swallowed himself, or tried to swallow himself, by making this trip to the United States. What does he come back with, or at least what does he propose for us? In the United States I understand the workers in this industry who are displaced as a result of this United States-Canada agreement will receive up to $102 per week during the period of time they are laid off. We are told now the workers here will receive 65 per cent of their average weekly wage and the benefit will not exceed that amount.

The SUB plans, Mr. Speaker, have been in existence throughout Canada in this industry, and far exceed 65 per cent of the total take home pay while workers are employed. This program is certainly going to bring down the benefits to workers who are laid off in comparison with what they would have received under the SUB plan. The Minister says that in some instances the industry must contribute the same amount to this new TAB plan, as he calls it, as they contribute to the SUB plan, yet benefits to the workers are going to be a great deal less.

I think this program is far from satisfactory for the workers who are to be laid off as a direct result of an agreement this Government has signed with the United States, and which is being continued at the expense of the Canadian workers.

Mr. Reid Scott (Danforth): Mr. Speaker, I think it is important for us to realize, first of all, that we are establishing an important principle here, one which we have requested for a number of months; namely, that where workers suffer dislocation as a result of conditions beyond their control they should not be asked to bear the burden of it. I think we are accepting that principle in this proposal. It is important also to note that those of us on this side of the House who foresaw many of these difficulties some months ago were laughed at and somewhat downgraded by the Government. Time has proven that these dislocations do take place and some assistance is necessary.

Evidently this program will become known as the TAB plan. I think it is important for us to try to establish at some stage just who is going to pick up the tab for the TAB plan. An analysis of the statement made today makes it rather obvious that it is the Canadian worker who is going to pick up the major portion of the tab. The first joker in the plan is that the payments are subject to a ceiling of 65 per cent of the average wage of workers in the trade as a whole, so the worker is automatically placed at a disadvantage in that regard. There are supplementary benefits, Mr. Speaker, but with the joker of a 65 per cent upper limit the worker is already at a disadvantage, more particularly as it affects these benefits.

It is for this reason I think the Minister will have difficulty with the various labour unions. Benefits are only going to be paid to the workers in those industries who agree to contribute into the TAB plan the payments they would have made into the SUB plan. Having given over $50 million in tax benefits, we now want to go back to the industry and say "You must take part of your social responsibility for this, and we would like you to agree to make this payment into the fund."

It seems to me there is a danger here that this is going to be the joker in the plan which will enable some of these companies to escape their responsibility. Really, on analysis, it is nothing but a substitution of the supplementary unemployment benefits for the benefits under the Government plan, with a slightly larger benefit for those who are eligible.

There are some advantages to the plan, but there are grave disadvantages. The United States workers are still eligible for benefits up to 85 per cent, so we are still considerably below what they are receiving in the United States. I had hoped there would have been some mention of a mobility clause which would enable these people to move around, but the statement is absolutely devoid of any such reference.

In closing, Mr. Speaker, it seems that while we have accepted a principle, there are grave deficiencies in it which I think will make it unacceptable to most of the organized trade unions in this field. As I have said, having given $50 million to the companies we are now going to ask them to come back in and make these payments and assume some of the responsibility. Finally, we are still leaving the Canadian workers considerably behind in benefits received as compared with United States workers.

Mr. Martin (Essex East): No, no.

Mr. Bert Leboe (Cariboo): Mr. Speaker, in the absence of the hon. Member for Lac-Saint-Jean (Mr. Lessard), on behalf of this group I would like to comment briefly on the

announcement made by the Minister of Labour. First of all, I must say that the announcement sounded something like a soap ad with its reference to SUB's and TAB's, and possibly this is about the extent to which it is going to be acceptable.

I do not see why we do not devise a policy that will take care of these dislocations, that will have something concrete in it so that when these dislocations occur, whether it be in the railway industry or other industries across the country, we shall have some legislation that is comprehensive and intelligently put together in order that matters like this can be handled when the need arises, without coming to Parliament with a little bit of this, a little bit of that and a little bit of something else. The time has come when we should have some comprehensive legislation in this regard.

With respect to the limitations, I notice in the minister's statement there is discrimination against those individuals who have not been long employed by a company. I do not know what would make anybody believe that a person who has been employed by a company for a short time is richer than one who has been employed for a good many years, but according to the specifications laid out in the Minister's statement we do find this discrimination.

I fail to see why one should want to discriminate against an individual who has been only a short time with a company. He will be just as much out of work as the fellow who has been with the company a long time, and likely he will have more debt and more bills to meet.

In connection with the 65 per cent benefit figure, I believe this will encourage individuals who get only that amount to go out and moonlight. They will take employment in other sections of our economy, such as in the supermarkets and so on after ten o'clock, or they will become salesmen. In effect they will be taking jobs away from other people; therefore we will not be helping the economy to the extent that the Minister forecasts. It is a hoax, so far as I can see.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, one can easily realize, in reading the second statement, that there is something wrong in this whole thing, as there is a glaring inconsistency between both.

In the first statement, on the first page, the Minister of Industry and Defence Production (Mr. Drury) says:

[Mr. Leboe.]

> In such cases there may be a temporary lay-off of workers while the company re-equips. There will be instances where firms will find it necessary to expand or re-equip their facilities to produce in greater volume and in the most efficient manner.

In his statement the Minister of Labour (Mr. MacEachen) said the opposite. He said that the worker will benefit from those advantages on one condition, namely that he will be laid off for a period of at least 30 days and that the lay-off will cause a termination or a significant decrease of production or other activity arising from the operation of the agreement.

In one case it is a question of equipment conversion to increase production, but the Minister of Labour said the exact opposite when he stated:

> When such layoffs are due to a stoppage or an important decrease in production.

The Minister of Labour had more vision than the Minister of Industry and Defence Production. He realized that the trade agreement on the automobile industry would not only fail to favour the production of automobile parts, but would cause a decrease in the production of such automobile parts in Canada. That is why he stated:

> Provided such layoffs are due to a stoppage or an important decrease in production. In such cases only, will workers be helped by the Minister of Labour's new plan.

Now, if employees are laid-off under the circumstances mentioned by the Minister of Industry and Defence Production, in other words, if they are laid-off temporarily during equipment conversion they will not participate in the plan suggested by the Minister of Labour, because the latter refers "to layoffs caused by abandonment of, or a great decrease in, production".

There is contradiction, or else the intention is that neither of the plans will have any effect and that the workers will not be able to profit by them.

It is high time, nevertheless, that members of the Cabinet fall in agreement and take the same decisions instead of contradictory decisions such as we have seen today, in less than one hour, by two members of the same government and of the same Cabinet, two ministers who are supposed to co-operate and who make contradictory statements.

One thing remains: according to the first statement, it is intended to allow the government to lend money to automobile producers, so that the latter may produce certain things which the consumers will have to borrow to buy. Since a loan has already been obtained

to manufacture those things another loan will have to be obtained to buy them.

On the other hand, the Minister of Labour intends to set up a benefit system for workers who are laid off because there is no more work for them since foreign producers have been allowed to invade and take over the domestic market.

Who will profit? The consumer? No, he pays the very same price for his car. Then who? Large automobile producers who are subsidiaries of American corporations while small Canadian producers of automotive parts will have their production cut off because of the agreements passed.

I think it is high time for this government to revise its position and instead of taking off tariff and taxes for large corporations only, they should take them off for all Canadian consumers and see to it that Canadian consumers have a sufficient and necessary purchasing power to buy Canadian automobiles and then our problems will be settled.

Let us stop administering and governing in terms of large foreign capital interests in most cases, or in terms of large finance corporations who will happily finance automobiles; let us legislate for the Canadian people by placing in their hands the purchasing power they need to buy automobiles without always going into debt. That is the only solution to the problem now facing us and we hope that the government will take it into consideration.

[*English*]

INDUSTRY

PROVISION FOR PAYMENT OF DEVELOPMENT GRANTS IN DESIGNATED AREAS

Hon. C. M. Drury (Minister of Industry) 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 payment of development grants to assist the establishment of new manufacturing or processing facilities and the expansion of existing manufacturing or processing facilities in order to improve industrial employment opportunities in designated areas in Canada; for this purpose to establish in the Consolidated Revenue Fund an area development account to which shall be credited an initial amount of fifty million dollars; and to effect certain related amendments to the Income Tax Act concerning the definition of a manufacturing or processing business and the application of section 71A of that Act in any case where a development grant has been authorized to be paid under the said measure.

Motion agreed to.

AERONAUTICS ACT

AMENDMENTS RESPECTING INQUIRIES INTO ACCIDENTS, MEMBERSHIP OF AIR TRANSPORT BOARD, ETC.

Hon. J. W. Pickersgill (Minister of Transport) moved that the House go into committee at the next sitting to consider the following resolution, which has been recommended to the House by His Excellency:

That it is expedient to introduce a measure to amend the Aeronautics Act to authorize the Minister of Transport to establish boards of inquiry to investigate aircraft accidents and provide for the payment of the expenses of witnesses appearing before these boards; to provide that the Air Transport Board shall consist of not less than three and not more than five members; to provide that members of the Board shall be appointed for a term not exceeding ten years and to provide for retirement of members of the Board appointed after the coming into force of the proposed measure at seventy years of age; and to provide further for certain changes in connection with the administration of the Act.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

USE OF U.S. NAVY LAND AT ARGENTIA, NFLD.

Question No. 51—**Mr. Douglas:**

1. Have any representations been made to the federal government concerning the possible use for industrial purposes of land which is now under the control of the United States navy at Argentia, Newfoundland?
2. If so, who submitted these representations and what were their nature?
3. What reply did the federal government give to any such representations?
4. Has any approach been made to the United States government concerning the future use of the land in question?

Hon. J. W. Pickersgill (Minister of Transport): I am informed by the Atlantic Development Board as follows:

1. No direct representations.

2. Mr. E. E. Thoms, President, Victory Lodge 1188 of the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, submitted a brief to Premier Smallwood and sent a copy to the Prime Minister. This brief recommended that the Federal Government consult with the United States Government and request that a portion of Argentia harbour be passed over to civilian industry in order to increase local employment.

3. The representations were made directly to Premier Smallwood; a copy was forwarded

to the Prime Minister's office apparently for information only and no reply was necessary.

4. The Federal Government maintains close contact with the United States Government regarding the future of its bases in Newfoundland. The U.S. Government has a treaty right to the use of the land in question at Argentia and moreover, U.S. officials advise us that their government still requires this land. While there has been some reduction in the number of the American personnel at Argentia, a substantial number will remain and there should be little decrease in the employment of Canadians. It must also be remembered that the North Sydney-Argentia ferry is due to come into operation in the spring of 1967 and that employment in the construction of the docks and a connecting road to the trans-Canada highway is already a significant factor in the economy of this area.

In addition to the information supplied by the Atlantic Development Board noted above, Mr. Richard Cashin, Member of Parliament for Saint John's West has discussed this matter with the Minister of Transport on several occasions.

*CONSTRUCTION OF HIGH ENERGY NUCLEAR PHYSICS LABORATORY

Question No. 264—**Mr. Orlikow:**

Is the government now giving consideration to the proposal of the Canadian Association of Physicists made in 1956 and 1957, that Canada construct a high energy nuclear physics laboratory centred on a high energy particle accelerator, in Canada and, if not, what were the reasons for refusing this proposal of the Canadian Association of Physicists?

Hon. C. M. Drury (Minister of Industry): Subsequent to the brief submitted by the Canadian Association of Physicists to the chairman of the Committee of the Privy Council on Scientific and Industrial Research in October 1958, the National Research Council has not been aware of any specific proposal for the construction of a high energy nuclear physics laboratory. In so far as the National Research Council is concerned, there is no present plan to implement the brief of the Canadian Association of Physicists. Although the desirability of giving maximum possible support to physics is recognized, obligations to support other branches of science must also be taken into account. With the rapid expansion of universities and a plan for corresponding rapid expansion in the Council's program for scholarships and grants in aid of research in the next few years, it is not considered possible at the present time to embark on a project of such magnitude. General support of physics in various fields in universities across the country including support for several medium energy laboratories is considered to be the most desirable way of utilizing available resources.

[Mr. Pickersgill.]

C.N.R. EXPENDITURES ON NEWS AGENT SERVICES

Question No. 305—**Mr. Laprise:**

What sum has Canadian National spent annually over the last ten years on the news agents service (a) for the whole network, and (b) for the section from Quebec to Cochrane?

Mr. Jean Charles Cantin (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advise as follows:

News agent service on Canadian National trains has been provided by a concessionaire known as Canada Railway News Company under a contract with the railway.

U.S. FUNDS OBTAINED BY CANADIAN BANKS

Question No. 316—**Mr. Matheson:**

1. Does Canada exercise any control over American funds which are obtained on the market by New York agencies of Canadian banks, and, if so, by what means?

2. Does either the Dominion Bureau of Statistics or the Bank of Canada maintain records relating to such transactions?

3. Has any study been undertaken to ascertain the effects of these transactions upon Canada or upon international money markets?

4. Has any study been undertaken to determine Canada's role in the Euro-dollar market?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): 1. Canada does not exercise specific control over the operation of Canadian banks' New York agencies, but these agencies like any other branches of Canadian banks must comply with the provisions of the Bank Act. Under section 63 of the Bank Act, the Inspector General of Banks is required to satisfy himself that the financial condition of each bank is sound, and under the provisions of section 71(4) each bank is required to maintain adequate reserves against liabilities payable in foreign currencies.

In February this year guidelines were issued to all U.S. banks by the U.S. government as part of its program to improve the U.S. balance of payments position. In order to provide assurance that the foreign currency operations of our banks would not be inconsistent with these objectives, the Canadian government has requested all chartered banks to conduct their foreign currency operations

in such a way that the net position of their head offices and Canadian branches vis-à-vis residents of the United States is not reduced below the position which existed on December 31, 1964.

2. Separate statistics on New York agencies are not maintained by the government or the Bank of Canada. However, over-all statistics of the operations of Canadian banks in foreign currencies have been maintained over many years. More detail statistics have been collected over the last two years.

3. Changes in the statistics of our banks' position in foreign currencies are continually under review by the Department of Finance and the Bank of Canada.

4. The statistics mentioned in 3 above include information on the Euro-dollar market. No formal study has been prepared by Canada but Canadian representatives have participated in international discussions concerning the Euro-dollar market.

SATURDAY NIGHT HOCKEY BROADCASTS

Question No. 446—**Mr. Dubé:**

1. Has the C.B.C. at any time attempted to obtain television rights for the complete Saturday night games during the N.H.L.'s regular season?

2. If so, what is the name of the advertising agency holding television rights with respect to these games?

3. What reasons did this agency put forward to explain its refusal to allow broadcasting of these games in their entirety, if such was the case?

4. How popular are these television hockey game broadcasts, according to "Nielsen's Television Index"?

[*Translation*]

Hon. Maurice Lamontagne (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows:

1. Two years ago an agreement was reached which resulted in the Corporation carrying an additional half hour of television time of the regular N.H.L. Saturday night games. This allows the showing of the highlights of the play of the first period prior to air time. The Corporation feels that Saturday evening "prime time" viewing should contain more variety of program subject material than just hockey. Hockey fans receive over an hour and a half of their favourite sport. Other viewers who may not appreciate hockey as much, have other fare presented for their interest and enjoyment. This practice of sharing Saturday evening television programming among viewers of different tastes and interests has been working very well. Naturally, keen hockey fans would like the whole game; but there are many other viewers to consider and the C.B.C. feels it has struck a fair balance in its Saturday evening programming having the total audience in mind.

2. In Canada, the MacLaren Advertising Agency holds the television rights to N.H.L. games.

3. Not applicable.

4. During the season, Saturday night Hockey Telecasts are the most popular programs on the air according to the Nielsen ratings.

[*English*]

LEASING OF MOTOR VEHICLES, KEJIMKUJIK NATIONAL PARK

Question No. 540—**Mr. Coates:**

1. What were the results of the tender call by the Department of Northern Affairs and National Resources for the leasing of eleven motor vehicles in connection with the new national park at Kejimkujik?

2. How many tenders were received, what were the names of the tenderers and the prices submitted by each?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1. While the original estimation of needs for motor vehicles at the proposed national park at Kejimkujik asked for 11 motor vehicles, the subsequent revaluation allowed the decease of the expenditures involved by eliminating one of these vehicles. The Department therefore issued a tender call for the leasing of ten motor vehicles and as a result of this call contracts are in the process of being issued to the two following successful tenderers:

(a) Rafuse Leasing Limited, Bridgewater, N.S., 5 vehicles: 1, four door car; 1, station wagon; 2, 4x4's, one with winch; and 1, stake body truck.

(b) Silver's Garage Limited, Bridgewater, N.S., 5 vehicles: 5, one-half ton trucks.

2. Eight tenders were received:

	4-door Sedan	Station Wagon	5 Half Ton Truck	4×4 Half Ton With Winch	4×4 Half Ton Without Winch	Stake Body Truck	12 mos. Unit Rate	24 mos. Unit Rate	24 mos. Fleet Rate
Rafuse Leasing Limited, Bridgewater, N.S.	2,712	3,048	12,960	3,240	3,600	4,536	16,524	30,096	29.136
Milfords Garage Limited, Liverpool, N.S.	2,976	3,072	14,280	3,552	3,936	5,400	19,320	33,216	32,480
*Gibbord Leasing Limited, Halifax, N.S.	2,688	3,000	16,200	3,600	3,840	5,400	20,580(1)	34,728(1)	34,728
Fundy Leasing Limited, Truro, N.S.	2,351.76	2,543.52	10,796.40	3,479.52	3,258	5,483.78	(2)	27,919.96	27,912.96
Glasgow Motors Limited, New Glasgow, N.S.	2,399.52	2,550.00	10,798	3,479.76	3,263.76	5,519.76	16,820.16	28,011.60	28,011.60
*Hillcrest Auto Lease Limited, Halifax, N.S.	2,520	2,760	13,200	3,840	3,360	4,920	18,540(1)	30,600	30,600
*Trainor Truck Rentals, Halifax, N.S.	1,530	1,590	7,140	2,112	2,580	2,928	17,880(1)	35,760	35,760
Silver's Garage Limited, Bridgewater, N.S.	—	—	12,000	3,600	3,600	—	(2)	19,200(3)	19,200(3)
Tilden Rent-A-Car Company, Halifax, N.S.	Did not wish to tender.								

* Additional charge made for mileage over 20,000 miles in each year.

(1)Plus additional charges for mileage over 20,000 miles in each 12-month period.

(2)Quoted on a 24-month basis only.

(3)Incomplete tender on 7 units only.

Since one of the requirements of the tender was that service, maintenance and repairs for these vehicles must be carried out by a local garage or service centre located within 15 miles of the Park, the two lowest tenderers—Fundy Leasing Limited and Glasgow Motors Limited—were not accepted because they required these vehicles to be taken to Truro, N.S., a distance of 165 miles, for warranty service and major repairs.

FEDERAL GRANTS TO BRITISH COLUMBIA

Question No. 562—**Mr. Mather:**

What, by name and in dollars, are the federal grants and/or other payments made to British Columbia?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): The latest Public Accounts of Canada show payments to the Government of the Province of British Columbia of amounts which are listed below. These payments are in respect of conditional and unconditional grant programs and miscellaneous special projects and relate to the fiscal year 1963-64.

	(in thousands of dollars)
Statutory subsidies	1,672
50% Share of the Income Tax on Certain Utilities	501
Agricultural Lime Assistance	71
Farm Labour Agreements	9
Fright Assistance to the Royal Winter Fair	2
4-H Clubs	8
ARDA	103
Hospital Construction	881
General Public Health	1,325
Tuberculosis Control	248
Mental Health	581
Professional Training	131
Cancer Control	282
Public Health Research	144
Medical Rehabilitation and Crippled Children	235
Child and Maternal Health	81
Vital Statistics Fees	7
Hospital Insurance	33,687
Old Age Assistance	2,782
Blind Persons Allowances	336
Disabled Persons Allowances	930
Unemployment Assistance	16,263
Rehabilitation of Disabled Persons	17
National Welfare Grants	20
Welfare Assistance, etc., to Immigrants	2
Fitness and Amateur Sport	11
Student Aid	30
Apprenticeship Training	555
Vocational High School Training	240
Technician Training	70
Trade and Occupational Training	682
Training in Co-operation with Industry	15
Training of the Unemployed	644
Training of Disabled Persons	15
Technical Teachers, etc., Training	15
Technical Correspondence Courses	1
Capital Assistance—Technical Schools	6,777
Language Instruction of Immigrants	9
Trans-Canada Highway	8,475
Railway Grade Crossing Fund	1,159
Fort St. John, diversion of airport road	10
Victoria—highway diversion due to runway extension	6
Mount Revelstoke National Park—surveying and road construction	82
Mile 35.5 Alaska Highway—removal of rubble from river-bed adjacent to piers of the Peace River Bridge	27
Forest Inventories	485
Reforestation	40
Forest Fire Protection	516
Forest Access Roads	790
Okanagan Flood Control	38
Camp Grounds and Picnic Areas	48
Roads to Resources	1,024
Emergency Measures	532
Municipal Winter Works Incentive Program	3,466
Payment to British Columbia Research Council	33
	86,113

CLANDEBOYE INDIAN AGENCY EXPENDITURES

Question No. 640—**Mr. Slogan:**

1. What are the final figures of expenditures for each band in the Clandeboye Indian Agency for 1964-65 and what are the estimated expenditures for the year 1965-66?

2. What is the breakdown for these expenditures?

Mr. Hubert Badanai (Parliamentary Secretary to Minister of Citizenship and Immigration): Treasury records of expenditures are not maintained separately by band or reserve. However, the attached tables show expenditures as compiled from agency records.

Questions

EXPENDITURES IN CLANDEBOYE AGENCY—1964-65

Reserve	Roads and Bridges	Indian Housing	School Repairs and Maintenance	Schools—New Construction	Welfare Assistance	Total
	$	$	$	$	$	$
Brokenhead	1,405.00	9,269.00	2,352.00	Nil	10,060.84	23,086.84
Fort Alexander	23,995.72	24,111.49	8,352.77	15,500.00	87,945.77	159,905.75
Little Black River	1,997.25	5,400.00	694.00	Nil	4,850.51	12,941.76
Hollow Water	153.00	5,860.36	334.00	Nil	18,903.00	25,250.36
Bloodvein	665.00	3,534.00	176.00	48,736.00	9,346.00	62,457.00
Berens River	2,220.97	7,420.00	1,387.00	Nil	23,726.35	34,754.32
Little Grand Rapids	Nil	8,645.00	122.43	Nil	20,146.60	28,914.03
Roseau River	5,367.36	6,951.00	551.00	Nil	16,004.24	28,873.60
Total	35,804.30	71,190.85	13,969.20	64,236.00	190,982.71	376,183.66

PROPOSED EXPENDITURES IN CLANDEBOYE AGENCY—1965-66

Reserve	Roads and Bridges	Indian Housing	School Repairs and Maintenance	Schools—New Construction	Welfare Assistance	Total
	$	$	$	$	$	$
Brokenhead	5,500.00	6,253.80	3,500.00	Nil	12,896.00	28,149.80
Fort Alexander	5,690.00	21,155.47	9,000.00	Nil	107,620.00	143,465.47
Little Black River	2,500.00	2,512.09	1,500.00	Nil	7,836.00	14,348.09
Hollow Water	1,000.00	2,022.37	3,000.00	Nil	23,572.00	29,594.37
Bloodvein	1,000.00	6,872.88	1,580.00	Nil	12,136.00	21,588.88
Berens River	2,400.00	7,072.88	5,000.00	Nil	27,844.00	42,316.88
Little Grand Rapids	1,300.00	11,555.75	1,500.00	Nil	29,976.00	44,331.75
Roseau River	6,000.00	10,567.59	2,400.00	Nil	19,328.00	38,295.59
Total	25,390.00	68,012.83	27,480.00	Nil	241,208.00	362,090.83

*COMPENSATING ADJUSTMENT IN PENSIONS

Question No. 641—**Mr. Forbes:**

Is it the intention of the Government of Canada to make an upward adjustment in pensions to federal superannuated persons, in the near future, commensurate with the increased cost of living?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): The intention of the Government was set forth in the statement by the right hon. Prime Minister on May 3, 1965 as recorded in *Hansard* at pages 837 and 838.

C.B.C.—MATINÉE HIGHLIGHTS PROGRAM

Question No. 647—**Mr. Marcoux:**

1. Did one or more C.B.C. radio stations offer to their audience on the "Matinée Highlights" program of May 29, 1965, an interview during which a medical doctor or other person discussed a contraceptive device made of plastic material?

2. Has the C.B.C. regulations based on the Criminal Code governing the content of such programs and, if so, what are the terms of such regulations?

[*Translation*]

Hon. Maurice Lamontagne (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows:

1. Yes, this was an interview with Dr. Jack Lippus, who is Associate Professor of Obstetrics and Gynaecology at the Medical School of the State University of New York.

2. The C.B.C. observes the Radio (AM) Broadcasting Regulations of the Board of Broadcast Governors. The program item referred to is covered under Section 5, subsection 1(e) which reads as follows: "No station or network operator shall broadcast any program on the subject of birth control unless that program is presented in a manner appropriate to the medium of broadcasting".

[*English*]

C.N.R.—TICKET QUOTATIONS IN U.S. FUNDS

Question No. 662—**Mr. Coates:**

1. Did the C.N.R. place an advertisement in the May 29 edition of the Windsor *Star* advertising a special summer excursion to Niagara Falls with ticket prices payable in United States funds and available for purchase at offices in Windsor, Ontario?

2. Is it the usual practice of the C.N.R. to sell tickets and set out fares for journeys in Canada based on the currency of another country?

3. What great advantage accrues to the C.N.R. to set out its fares in United States funds.

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): The Management of Canadian National Railways advise as follows:

1. Yes.

2. No. The advertisement was prepared for use in United States newspapers. A similar ad was scheduled to appear in the Windsor *Star* quoting Canadian funds. However, the ad that appeared inadvertently quoted United States dollars.

3. None.

PLAN FOR INTEGRATION OF ARMED FORCES

Question No. 665—**Mr. MacRae:**

1. Is there in existence an overall plan for the integration of the Armed Forces?

2. If so, when was such plan completed and when will it be published?

Hon. Léo Cadieux (Associate Minister of National Defence): 1. The over-all concepts of integration can be found on pages 18 and 19 of the White Paper on Defence issued in March 1964.

2. The first stage, integration of the Armed Forces of Canada under a single Chief of Defence Staff and a single Defence Staff, has been completed. Certain aspects of unification, e.g. recruiting, construction engineering, etc., have been completed and others are close to completion. The new command system has been announced and each field commander is being given a planning staff to assist him in creating the specialized structure of his particular command. The end objective of a single service is firm.

GORDON DEWAR—C.B.C. COMMENTATOR

Question No. 671—**Mr. Nugent:**

Was Gordon Dewar of Ottawa, who from time to time, acted as a commentator on the C.B.C. removed from the C.B.C.'s (acceptable commentators list) and, if so, for what reason?

Hon. Maurice Lamontagne (Secretary of State): I am informed by the Canadian Broadcasting Corporation that the question assumes a list which does not exist. Mr. Dewar's occasional employment by the C.B.C. remains on the same basis as other freelance commentators.

AIRPORT RUNWAYS

Question No. 675—**Mr. Irvine:**

1. What length of runways are required to accommodate the following aircraft (a) D.C. 8 (b) D.C. 9 (c) Boeing 707?

2. What airports in Canada (civil or military) are capable of accommodating the above listed aircraft?

3. What airports in Canada are under current consideration to be altered to accommodate these aircraft?

4. What work would be necessary in order to make the London, Ontario airport a satisfactory alternate airport for planes destined to Malton airport?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): 1. The length of runways required for any of these aircraft is dependent on a number of factors involving stage lengths, operating weights, altitude of the airport and meteorological conditions. In general terms, however, the minimum runway lengths for D.C. 8 and 707 aircraft on domestic services varies from 7000'-8000' and up to 13000' for aircraft on international service. The minimum acceptable for a D.C. 9 is expected to vary between 5000'-6000' and up to 9000' on a long stage length.

2. Based on the runway length point of view the following airports in Canada are capable of accommodating these three types of aircraft in varying degrees of load factors and frequency of service. In some cases, however, bearing capacities may be in question since a requirement to operate aircraft of these types has not yet developed at all locations.

Civil	Military
Abbotsford	Comox
Vancouver	Cold Lake
Calgary	Chatham
Edmonton	Bagotville
Saskatoon	Portage
Winnipeg	Summerside
Toronto	Gimli
Ottawa	Moose Jaw
Windsor	Trenton
Montreal	Namao
Halifax	Shearwater
Gander	Greenwood
Torbay	St. Hubert
Goose Bay	Cartierville
Frobisher	Downsview
North Bay	Argentia (USN)
Whitehorse	Stephenville (USAF)
Churchill	

On the same basis as above the following airports in Canada are capable of accommodating the D.C. 9 in varying degrees of load factors and frequency of service.

Victoria	Prince Rupert
Brandon	Quesnel
Fort McMurray	Earlton
Fort Nelson	Forestville
Fort Smith	Fort Chimo
Fort St. John	Fredericton
Grande Prairie	Hamilton
Kamloops	Lakehead
Kelowna	London
Lethbridge	Moncton
Penticton	Mont Joli
Prince George	Muskoka

Questions

Quebec	Sudbury
La Tuque	Killaloe
Regina	Charlottetown
Rivers (Military)	Riviere du Loup
Sandspit	Saint John, N.B.
Terrace	Sault Ste. Marie
The Pas	Sept Iles
Thompson	Sherbrooke
Watson Lake	Sydney
Williams Lake	Timmins
Yellowknife	Trois Rivieres
Val d'Or (Military)	Wiarton
Rouyn	Yarmouth

3. Windsor (Ontario) airport is currently under consideration for alteration to accommodate D.C. 8 aircraft.

The ultimate operational requirements of the D.C. 9 have not yet been firmly established and it is too early to state what alterations will be required, although it is expected that such operational requirements will not involve significant changes in the airports they will serve.

4. No work is required at London, Ontario airport to accommodate aircraft on an alternate basis on the basis on which the flights destined for Toronto are now planned and operated.

PENSIONS TO FORMER ARMED FORCES MEMBERS

Question No. 698—**Mr. Winch:**

1. How many ex-Armed Service and ex-civilian Armed Service employees were granted pensions in the period 1960 to 1964 inclusive?

2. How many applications for a pension were refused?

3. Were any deserters from the Armed Forces granted pensions and, if so, how many?

4. How many applicants for pension, with honourable discharge, were turned down in the aforementioned period?

Hon. Léo Cadieux (Associate Minister of National Defence): 1. During the period of 1960 to 1964, 7,254 pensions and annuities became payable to former members of the regular forces and 3,303 annuities were authorized for former civilian employees of the Department of National Defence.

2. Pensions under the Defence Services Pension Contribution Act and annuities under the Canadian Forces Superannuation Act were not subject to application by the individual. Payment is mandatory to a member of the forces who qualifies for pension or annuity in accordance with the provisions of the act applicable in his case.

3. No deserters from the armed forces were granted pensions or annuities.

4. This question is answered at 2.

[Mr. Cantin.]

*RESEARCH INTO AUTOMOBILE SAFETY

Question No. 703—**Mr. Grafftey:**

Is the National Research Council conducting any kind of research regarding automobile safety and is it recommending safety devices to be adopted by the automobile industry and, if so, is the Council establishing car and tire construction standards and specifications for safety purposes?

Hon. C. M. Drury (Minister of Industry): The National Research Council is investigating factors which may cause deterioration of the textile components of automobile and truck seat belts.

The National Research Council does not recommend or approve devices to be adopted by industry nor is it establishing car and tire construction standards and specifications for safety purposes.

*CONSUMER PRICE INDEX

Question No. 704—**Mr. Martineau:**

1. At what point did the consumer price index stand at mid-May 1965?

2. Has this point been exceeded in the past and, if so, when?

3. At what point did the consumer price index stand at the following dates (a) mid-May 1964 (b) mid-May 1963 (c) mid-May 1962?

4. Has the government been advised by its economists and/or economic forecasters or other experts to expect further rises in the cost of living within the next 12 months and, if so, does the government intend to take any measures to stabilize the cost of living and, what are these measures?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): 1. The consumer price index at mid-May 1965 stood at 138.0 (1949=100).

2. No.

3. (a) 135.0 (b) 132.3 (c) 130.1

4. The government at all times follows closely developments in the economy, including price developments. It is the view of the government that the price situation at the present time remains reasonably stable, and in keeping with the general expectations indicated in the budget speech of April 26, 1965 (*Hansard*, page 433). The price movements shown in the answer to part 3 of this question compare favourably with those observed in all other advanced countries of the free world, the increase being less than all major countries, with the exception of the United States.

ASSINIBOINE RIVER EROSION

Question No. 721—**Mr. Enns:**

1. Has the Department of Agriculture received any complaints from farmers along the Assiniboine River, or from municipal councils regarding the severe erosion due to high spring river levels?

2. Has the government any plans to straighten the river channel at specific points so as to reduce and/or eliminate the threat to entire farm yards?

Hon. Harry W. Hays (Minister of Agriculture): 1. No official complaints have been received by the Department. Officials of one rural municipality have discussed the problem with officials of P.F.R.A. at the time of dike overtopping during the spring breakup in 1965.

2. The government is continuing its program of dike and channel maintenance on the Assiniboine River. No program of channel straightening is being considered at present in view of the construction of the Portage diversion and the Shellmouth Reservoir projects, which will provide much greater control of the Assiniboine River.

MAIL TRANSPORT, HAMILTON-TORONTO

Question No. 726—**Mr. Howe (Hamilton South):**

1. What vehicles are presently used to transport mail from Hamilton to Toronto?

2. Has consideration been given to transporting mail by autobus between the daytime despatches now scheduled?

Hon. René Tremblay (Postmaster General): 1. The vehicles presently used to transport mail from Hamilton to Toronto are trucks under exclusive contract to carry mail only. They leave Hamilton on the following schedule—12:50 A.M., 7:00 A.M., 6:45 P.M., 9:10 P.M. and 10:50 P.M.

2. Mail service between Hamilton and Toronto is under constant review. We are considering a number of proposals to improve the service between these two cities including the possibility of transporting mail by autobus.

*C.P.R. RAIL PASSENGER SERVICE

Question No. 728—**Mr. Fisher:**

1. What representations, if any, have been received by the Board of Transport Commissioners regarding the future of rail passenger service provided by the C.P.R.?

2. Has the Board under consideration any moves of any kind or any studies regarding this problem?

Hon. J. W. Pickersgill (Minister of Transport): 1. The Board has received representations against reductions in Canadian Pacific's trains Numbers 307-308 Lethbridge-Medicine Hat, trains Numbers 309-310-311-312 Calgary-Lethbridge, trains Numbers 202-203 Montreal-Mégantic, trains Numbers 31-32 Montreal-International Boundary, trains 132-133 and 137-138 Montreal-Ottawa, following the filing of notices thereof; it has also received representations respecting proposed changes and rumors of future changes in Canadian Pacific's train called "The Dominion" and requesting continuation of that train; and representations asking the Board to hold a public inquiry into Canadian Pacific's passenger service.

2. The Board has ordered Canadian Pacific to operate the trains numbered in paragraph 1 and intends to hold public hearings in respect of them. It has also directed inquiries to Canadian Pacific and Canadian National respecting their passenger reservations systems and has that subject under consideration. Advance notice of discontinuance of passenger trains is required by the Board and Canadian Pacific has not filed any such notice respecting "The Dominion" but has informed the Board of changes in head-end traffic and sleeping car and meal service on that train. As the decision as to what trains to run lies with railway management in the first instance, with regulatory power in the Board to intervene and order trains to run where sufficient reason to do so appears, the Board has no plans to institute a public inquiry at this time into the future of Canadian Pacific's passenger service as a whole but will continue to deal with individual trains and take such action as it deems warranted if Canadian Pacific files notice of discontinuance of "The Dominion" or other current passenger services.

INTERDEPARTMENTAL COMMITTEE ON CAPE BRETON COAL SITUATION

Question No. 731—**Mr. Muir (Cape Breton North and Victoria):**

1. How many members comprise the interdepartmental committee on the Cape Breton coal situation and what are their names, addresses and backgrounds?

2. Who has been retained by the government to advise the Minister of Trade and Commerce and the interdepartmental committee on the Cape Breton coal situation?

3. What are his terms of reference and what are his qualifications and background?

Hon. Mitchell Sharp (Minister of Trade and Commerce): 1. A committee composed of senior officials from several departments and agencies having a special interest in coal and energy matters, has been engaging itself for some time with the Cape Breton coal situation. More recently a smaller working group of these officials has been looking into particular aspects of the subject. It is not customary to name the members comprising an inter-departmental committee, but the government departments and agencies represented on these committees are as follows:

Dominion Coal Board; Atlantic Development Board; Department of Finance; Department of Labour; National Energy Board; Department of Mines and Technical Surveys; Department of Industry; Department of Trade and Commerce; Department of Northern Affairs and National Resources; Department of External Affairs; Privy Council Office.

2. A reply to this question has already been given and will be found in *Hansard* of June 8—Dr. J. R. Donald, chairman of the board of J. T. Donald and Company Limited of Montreal has been retained to advise the government on the Cape Breton coal situation.

3. (a) Dr. Donald will make a general study of the Cape Breton coal problem and submit any proposals for the solution thereof and of related social problems. He will draw on the services of various federal agencies concerned with coal and has been directed to hold discussions with provincial authorities, industry officials and such other organizations as may contribute to the solution of the problem.

(b) Dr. Donald is a chemical engineer whose services to the Canadian chemical industry have been recognized by the awarding of the Society of Chemical Industry (Canadian section) Medal in 1952 and the Montreal Medal, CIC, in 1962. In addition to being chairman of the board of J. T. Donald and Company Limited, chemical and research consultants, he is chairman of the board of Donald Inspection Ltd., inspecting and testing engineers, Montreal and Toronto. From 1939 to 1945 Dr. Donald was Director General of Chemicals and Explosives of the Department of Munitions and Supply, and from 1951 to 1952 he was Director of Chemicals and Explosives of the Department of Defence Production.

SUSSEX, N.B.—VISIT BY B. AND B. COMMISSION STAFF

Question No. 735—**Mr. Fairweather:**

Did members of the staff of the Royal Commission on Bilingualism and Biculturalism visit the Town of Sussex, N.B. recently and, if so, (a) what was the purpose of the visit (b) who made the visit (c) how many interviews were held with (i) children (ii) adults (d) did the staff members carry any identification or authorization from the Royal Commission explaining the purpose of their visit (e) did the staff members call on the Mayor of Sussex or any other town officers or officials (f) did the staff members seek permission from the Board of School Trustees before conducting interviews in the school (g) did the interviews include such questions as "How did you vote in the last federal and provincial elections" (h) what relevancy does the answer to these questions have to the terms of reference of the Royal Commission?

[Mr. Sharp.]

Mr. Jack Davis (Parliamentary Secretary to Prime Minister): I am informed by the Royal Commission on Bilingualism and Biculturalism as follows:

(a) and (b) Two persons carrying out research on behalf of the Royal Commission on Bilingualism and Biculturalism visited the town of Sussex, New Brunswick, to conduct interviews with students and adults. These interviews were part of a survey on language and cultural aspects of education among children and parents of different ethnic and regional backgrounds. Sussex was one of the communities selected for this study.

(c) 55 interviews with children and 53 interviews with parents.

(d) The senior associate carried written authorization.

(e) and (f) No; this study is being conducted after consultation with officials in the provincial Department of Education and the local school, and with their co-operation.

(g) One question was included in the questionnaire for the parents.

(h) This question is included for the purpose of checking the representativeness of the group of persons interviewed by a comparison with voting results in the community.

NEW LIGHTING FACILITIES, PICTOU ISLAND, N.S.

Question No. 737—**Mr. MacEwan:**

Is it the intention of the Department of Transport to instal new lighting facilities at the west end of Pictou Island, N.S., in place of the present facilities and, if so, what type of new equipment will be placed there and when will this work be carried out?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): The Department is now installing a new steel tower at Pictou Island west end to replace the former lighthouse and a 350 mm lantern with triple acetylene burner will be fitted and should be in operation within a week or ten days. A substantial increase in light intensity will result.

ADDRESS OF WORLD EXHIBITION CORPORATION

Question No. 739—**Mr. Coates:**

Is it necessary for the Canadian Corporation for the 1967 World Exhibition in its Expo Digest to carry the following address "Montreal (Quebec) Canada" and, if so, for what reason?

Hon. Mitchell Sharp (Minister of Trade and Commerce): The address "Montreal (Quebec) Canada" is used on the Expo Digest because Article No. 66, of the Canadian Postal

Guide requires that: "The full title, place, date of publication and the distinguishing number of the issue must be prominently printed on every issue."

HARBOUR IMPROVEMENTS, MCBETH POINT, MAN.

Question No. 759—**Mr. Stefanson:**

Has the government any plans for improving the break water and harbour facilities at McBeth Point on Lake Winnipeg, Manitoba, and if so, what is the (a) nature of this work (b) estimated cost (c) when will it be carried out?

Hon. Lucien Cardin (Minister of Public Works): The situation at McBeth Point has not changed since the answer given to Question No. 1535 which appeared on page 5809 of *Hansard* for July 22, 1964.

INVESTIGATION OF HISTORIC MOUNDS, RAINY RIVER, ONT.

Question No. 764—**Mr. Fisher:**

1. Has the Minister of Northern Affairs and National Resources received representations from Northwestern Ontario, and particularly from Rainy River asking for a well-organized and large-scale campaign by agencies under the Minister's responsibility to investigate, succour and display great numbers of historic mounds erected by an ancient people in the area?

2. If so, what are the mounds, where exactly are they located and in what numbers; what investigations have been carried on so far by any persons or agencies to the Department's knowledge; what provisions have been made or are under consideration by the department with regard to these sites?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1. Yes, my Parliamentary Secretary and myself have both received several representations during the past year requesting government assistance in the preservation of these mounds. The Minister of Mines and Technical Surveys, the Member for Kenora-Rainy River, and the Parliamentary Secretary to the Minister of Citizenship and Immigration, the hon. Member for Fort William, have taken a particular interest in this matter.

2. Eleven mounds are known to exist near Barwick, Ontario, on the north bank of the Rainy River. The Historic Sites and Monuments Board of Canada has advised me that these mounds may be of great historical importance and has recommended archaeological investigation to determine whether or not such evaluation is correct. My Department proposes to enter into a contract with the Royal Ontario Museum for undertaking an archaeological excavation of several of these mounds. I have approached the officials of the Museum in this regard and I am awaiting their reply.

Questions

COMMERCIAL ENTERPRISES IN NATIONAL PARKS

Question No. 766—**Mr. Dinsdale:**

1. What is the government's policy with respect to Canadian ownership and non-Canadian ownership of commercial enterprises in Canada's National Parks?

2. How would this policy apply in the case of the offer by Greyhound Corporation of the United States to purchase Brewster Transport Co. Ltd. and the Brewster Rocky Mountain Gray Line Ltd., of Banff, Alberta?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1. The Government's policy with respect to Canadian ownership and non-Canadian ownership of commercial concessions in Canada's national parks is the same as its policy toward such ownership elsewhere in Canada.

2. Our information is that negotiations have been conducted by Brewster Transport Co. Ltd. and the Brewster Rocky Mountain Gray Line Ltd., of Banff, Alberta, with a Canadian company.

DREDGING, MACDONALD POND, N.S.

Question No. 767—**Mr. Muir (Cape Breton North and Victoria):**

Is it the intention of the Department of Public Works to carry out dredging at Macdonald's Pond, Indian Brook, Victoria County, Nova Scotia and, if so, when?

Hon. Lucien Cardin (Minister of Public Works): Yes. The work is now under way and is expected to be completed by the end of June.

SILVER JUBILEE, CANADIAN PROVOST CORPS

Question No. 769—**Mr. Caouette:**

1. On what date did the Canadian Provost Corps celebrate its silver Jubilee?

2. What language was used in the lettering of the medallions and transfers commemorating this occasion and what were the reasons thereof?

3. To whom were these medallions and transfers distributed?

4. Have any Franch Canadians belonged to this military unit?

[*Translation*]

Hon. Paul Hellyer (Minister of National Defence): 1. 15 June, 1965.

2. English. The title on the Canadian Provost Corps badge and the Corps motto are in English only.

3. To Canadian Provost Corps Regular and Militia units.

4. Yes.

[*English*]

AIDS TO NAVIGATION, LAKE WINNIPEG, MAN.

Question No. 771—**Mr. Stefanson:**

Has any money been allocated for the aids to navigation program for Lake Winnipeg, Manitoba

and adjoining rivers for the 1965-66 fiscal year and, if so, (a) how much, and (b) what are the locations and types of projects planned under the program for the 1965-66 fiscal year?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): Yes, (a) $17,000. (b) New range lights at Red River, Winnipeg Beach, Berens River, Refuge Harbour, Warrens Landing lower and upper, and Winnipegosis Lake.

New towers and lights at Willow Point, Lunch Point and Easterville Range.

Lighted buoys at Five Mile Reef, Weasel Island and Dog Point, Lake Winnipegosis.

Installation of commercial power at Hecla Island Wharf, Pine Dock and Matheson Island Lights.

Minor repairs, painting and brushing at Full Harbour, Red Rock Island, Warrens Landing, Red River Floodway, Mission Point, Papoose Channel, Red River buoys, Big Black River, Fisher River, Dauphin River, Gimli Harbour, Winnipeg Beach and Red River Range.

IMPORTS OF AUTOMOBILE PARTS

Question No. 775—**Mr. Simpson:**

What was the value of total imports of automobile parts into Canada from the United States for each of the following months: January 1964, January 1965, February 1964, February 1965, March 1964, March 1965, April 1964, April 1965, May 1964, May 1965?

Hon. Mitchell Sharp (Minister of Trade and Commerce): See attached table. The compilation of figures for months subsequent to January 1965 has not yet been completed.

VALUE OF IMPORTS OF AUTOMOBILE PARTS INTO CANADA FROM THE UNITED STATES

		1964					1965
		January	February	March	April	May	January
		(thousands of dollars)					(thousands of dollars)
Group 588—Road Motor Vehicle Entines and Parts							
588-04	Motor vehicle engines, diesel	732	589	500	826	662	542
588-19	Motor vehicles engines, n.e.s.	1,891	1,638	1,799	2,106	2,063	1,345
588-34	Parts of motor vehicle engines, diesel	334	261	350	517	230	212
588-49	Parts of motor vehicle engines, n.e.s.	6,833	5,469	5,441	6,411	5,525	5,761
	Group Total	9,790	7,957	8,090	9,860	8,480	7,860
Group 589—Other Road Motor Vehicle Parts and Accessories							
589-09	Bodies and cabs for commercial trucks and trailers, built-up	113	153	290	271	232	208
589-19	Parts of trailers, n.e.s.	422	472	602	751	600	360
589-25	Automatic transmission units for road motor vehicles	4,478	3,145	3,548	4,237	4,455	(class discontinued)
589-30	Axles and axle bars for road motor vehicles	14	62	45	42	86	11
589-35	Jacks for motor vehicles, and parts	42	24	41	47	42	18
589-40	Mirrors for motor vehicles	78	90	85	83	88	65
589-75	Parts of motor vehicles imported under tariff item 438b n.e.s.	3,927	3,181	3,322	3,778	3,342	2,997
589-80	Parts of motor vehicles imported under tariff item 438c n.e.s.	24,624	16,509	17,442	19,728	17,228	13,741
589-85	Parts of motor vehicles imported under tariff item 438d n.e.s.	4,121	3,394	3,576	4,448	3,715	3,180
589-90	Parts of motor vehicles imported under tariff item 438i n.e.s.	1,752	1,347	1,569	1,678	1,635	907
589-95*	Parts of motor vehicles imported under tariff item 950 n.e.s.	—	—	—	—	—	7,854
589-99	Parts, accessories and assemblies for motor vehicles, n.e.s.	18,781	15,366	18,427	17,418	15,557	16,869
	Group Total	58,361	43,743	48,947	52,481	46,980	46,210
Total Road Motor Vehicle Parts and accessoires		68,151	51,700	57,037	62,341	55,460	54,070

Class not available prior to January 1, 1965.

*VISIT BY FORESTRY MINISTER TO FRENCH TERRITORY

Question No. 780—**Mr. Vincent:**

Did the Minister of Forestry make an official visit, at government expense, to French territory during the month of May last and, if so (a) what was the date and purpose of the trip (b) what are the details of the itinerary for the trip (c) did anyone accompany the Minister and, if so, what are the names of such persons?

[*Translation*]

Mr. B. S. Beer (Parliamentary Secretary to Minister of Forestry): Mr. Speaker, the answer is no.

[*English*]

CHEESE, BUTTER AND BUTTER OIL

Question No. 787—**Mr. Doucett:**

1. What amount of cheese does the government have in storage, if any, as of May 1, 1965?
2. What was the amount of butter the government had in storage as of January 1, 1965 and June 1, 1965?
3. How much butter was sold or disposed of from February 1964 to June 1, 1965?
4. What was the amount of butter oil the government had in storage as of January 1, 1965?
5. How much butter oil was sold or disposed of from February 1, 1964, to June 1, 1965?
6. In what manner was the butter oil disposed of and to whom?
7. What prices were received for the sale of butter, butter oil?

Hon. Harry W. Hays (Minister of Agriculture): 1. Nil.

2. January 1, 1965, 80,004,880 lbs.; June 1, 1965, 39,335,370 lbs.

3. Sold on domestic market, 107,971,140 lbs.; sold on export market, 41,125,224 lbs. Total 149,096,364 lbs.

4. 5,576,688 lbs.

5. 61,509,229 lbs.

6. Butter oil was sold in carlots to the following firms and agency: Cooperative Agricole de Granby, Granby, P.Q.; Olive & Dorion Limited, Montreal, P.Q.; Canada Packers Limited, Toronto, Ontario; Milk Products Incorporated, Montreal, P.Q.; Legrade Incorporated, Montreal, P.Q.; R. A. Chisholm Limited, Toronto, Ontario; Mercantile Commodities Corporation, Toronto 12, Ontario; Birks-Crawford Limited, Vancouver, B.C.; Kraft Foods Limited, Montreal, P.Q.; Vermette & Fils Ltee, St. Agapit, P.Q.; Central Creameries Limited, Charlottetown, P.E.I.; Shefford Dairies Limited, Lawrenceville, P.Q.; J. W. Lafave Limited, Montreal, P.Q.; New Dundee Cooperative, New Dundee, Ontario; Fraser Valley Milk Producers Association, Vancouver, B.C.; Balfour-Guthrie Limited, Toronto, Ontario; Lovell & Christmas Limited, Montreal, P.Q.; Canadian Domestic Products Limited, Ottawa, Ontario; Weddell Limited, Montreal, P.Q.; Geo. Hodge & Son, Montreal, P.Q.; Black Diamond Cheese Company, Belleville, Ontario; Commodity Trading Company, Montreal, P.Q.; Canada Cold Storage Company, Montreal, P.Q.; Dominion Dry Milk Limited, Montreal, P.Q.; Swift Canadian Limited, Toronto, Ontario; Beaver Trading Company, Montreal, P.Q.; Eastern Townships Produce Limited, Sherbrooke, P.Q.; Grace, Kennedy & Company (Canada) Limited, Montreal, P.Q.; United Dairy & Poultry Co-operative Limited, Toronto, Ontario.

World Food Programme

7. Butter: Domestic—February to April, 1964, 52¢ per lb.; May, 1964 to April, 1965, 53¢ per lb.; May, 1965 to June, 1965, 55¢ per lb.

These prices, basis delivery Ontario, Quebec, and Maritime Provinces.

Export: 33½¢ and 36¢ per lb. basis delivery to Canadian port of export.

Butter oil: Domestic—February 19, 1964 to April 19, 1964, 65¢ per lb.; May, 1964 to June, 1965, 66¢ per lb.

These prices were basis delivery, Ontario, Quebec and Maritime Provinces.

Export: Butter oil was all sold at 27¢ per lb., basis delivery to Canadian port of export.

MAIL CONTRACT, STELLARTON-PICTOU, N.S.

Question No. 789—**Mr. MacEwan:**

1. Have tenders been called for the mail contract, Stellarton, N.S., to Pictou, N.S.?
2. What are the names of the various tenderers and the amounts of the tenders?
3. To whom has, or will the contract be awarded?

Hon. René Tremblay (Postmaster General): 1. Yes.

2. James Hubert Collins Beck, Box 399, New Glasgow, $3,000, Thomas Edgar Dixon, Box 351, Westville, $3,650, Charles Jollymore, Pictou, $3,800, Donald Alexander MacMillan, Box 25, Pictou, $4,227, Dickson Bros. Transfer Ltd., (Douglas J. Dickson), Box 540, Stellarton, $5,194, Carl Douglas Spears, Box 794, Stellarton, $11,894.

3. The contract has not yet been awarded. In accordance with the terms of the Post Office Act, an inquiry is now in progress to determine whether the lowest tenderers are, able to meet the requirements of the service.

COVEHEAD BRIDGE, P.E.I. NATIONAL PARK

Question No. 794—**Mr. Macquarrie:**

1. Is the Covehead Bridge in the P.E.I. National Park to be completed on schedule?
2. If not, when is it expected to be ready for use?

Questions

3. What steps are in progress or contemplation to expedite its completion?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1. No.

2. While it was orginally expected that the bridge would be open for traffic on June 28, 1965 (as stated in my answer to my hon. friend's Question No. 383 on May 19, 1965, *Hansard* page 1460) due to unavoidable and unforeseen circumstances the opening date has to be postponed until July 24, 1965.

3. The Department of Public Works has done everything possible to expedite the completion of this bridge. The subcontractor on this contract has added additional casting beds to speed up production of prestressed concrete beams and the labour force has been increased.

USE OF NAME "RED ENSIGN CLUB OF CANADA"

Question No. 803—**Mr. Coates:**

Was a request received from the Provincial Registrar of Companies for British Columbia by the Office of the Secretary of State for the use of the name "The Red Ensign Club of Canada, British Columbia Division" and was this request acceded to and, if not, for what reason?

Hon. Maurice Lamontagne (Secretary of State): The use of the proposed name "The Red Ensign Club of Canada, British Columbia Division" is a matter of provincial jurisdiction and the Registrar of Companies for British Columbia has been advised accordingly.

RESEARCH COUNCIL HIGH VOLTAGE TEST CENTRE

Question No. 804—**Mr. Hales:**

Is it the intention of the National Research Council to build and equip an extra high voltage test centre and, if so (a), when and where is the location (b) to what does vote 5 on page 306 of the estimates 1965-66 for National Research Council to the amount of $6,700,000 refer?

Hon. C. M. Drury (Minister of Industry): In so far as the National Research Council is concerned: (a) The providing of and location for a high voltage test facility have not yet been determined; (b) Vote 5 of the estimates 1965-66 provides for construction and improvement of buildings and works, and for the acquisition of lands and equipment of a capital nature.

VISIT TO SOUTH AFRICA BY PROFESSOR MACRAE

Question No. 816—**Mr. McCutcheon:**

1. Did the B. and B. Commission, pay the expenses of, or contribute to the expenses of, Professor K. D. MacRae, who is one of the Commission's research supervisors and who has recently been in South Africa investigating language practices in that country?

2. Did the professor have assistants?

3. What was the total cost to the Canadian taxpayer?

[Mr. Macquarrie.]

Mr. Jack Davis (Parliamentary Secretary to Prime Minister): I have been informed by the Royal Commission on Bilingualism and Biculturalism as follows:

1. Yes.

2. No.

3. The total cost of this research trip is $1,758.75.

[*Translation*]

*MORTGAGE REBATE ON SINGLE DWELLINGS

Question No. 821—**Mr. Côté (Chicoutimi):**

Has the government given consideration to the possibility of granting a 3 per cent rebate on mortgage loans on single family dwellings throughout Canada in order to assist the country's economic progress?

Hon. J. R. Nicholson (Minister of Citizenship and Immigration): Housing policy is under continuous review by the Government. This review takes into account various possible ways of achieving the objectives of housing policy in relationship to general economic conditions. As policy decisions are made, they are, of course, announced in the House in the usual way.

*TRADE AND COMMERCE EMPLOYEES RECEIVING OVER $6,000 ANNUALLY

Question No. 822—**Mr. Pigeon:**

1. How many French speaking Canadians are there in the Department of Trade and Commerce, whose salaries are $6,000 a year or more?

2. How many Civil Servants are there in all in this Department whose salaries are $6,000 a year or more?

Mr. Jean-Luc Pepin (Parliamentary Secretary to Minister of Trade and Commerce): 1. 140.

2. 649.

If the hon. member wishes to know the D.B.S. figures, here they are:

1. 106.

2. 465.

[*English*]

LABOUR CODE COVERAGE OF C.B.C. PERSONNEL

Question No. 830—**Mr. McCutcheon:**

Will employees of the C.B.C. come under the provisions of the Canada Labour Standards Code Act, and, if so, will personnel under contract to the C.B.C. for 52 weeks or less in any given year and

who work in excess of 40 hours during a five day week receive overtime at 1½ times their basic hourly rate or its equivalent?

Hon. Maurice Lamontagne (Secretary of State): I am informed by the Canadian Broadcasting Corporation that its employees come under the provisions of the Canada Labour Standards Code Act.

Employees who work in excess of 40 hours in a five day week will receive overtime at the 1½ rate except those who may be excluded from the application of the Act as identified in a submission the Corporation is presently putting forward for suspension on application of Part 1 of the Act for certain categories of employees who fall under the Act but who must be exempted from the application of Part 1 because of the nature of their work.

The application of the Act to personnel under contract for less than 52 weeks is under review and an interpretation of its application here will be called for.

All other employees, i.e. on 52 weeks of employment in a year classified as employees, within the meaning of the Act, will be governed by its provisions except as specified as above.

MONORAIL AND MOVING SIDEWALK FOR EXPO '67

Question No. 851—**Mr. Coates:**

1. Has the Canadian Corporation for the 1967 World Exhibition requested the federal government to approve the purchases of a miniature monorail and a moving sidewalk?

2. What is the estimated cost of the monorail and moving sidewalk?

3. Has a decision been reached by the government and what is the federal participation if such a decision has been reached?

Hon. Mitchell Sharp (Minister of Trade and Commerce):

1. Yes.

2. Estimated cost, which includes capital and operating costs, is $10,000,000; estimated revenue including salvage value is $10,240,000; estimated profit $240,000.

3. The purchase of a secondary transit system was approved by Order in Council P.C. 1965-660.

Federal participation is expected to be nil since revenues and salvage exceed cost.

FEDERAL COMMITMENT RESPECTING DEFICIT, EXPO '67

Question No. 852—**Mr. Coates:**

1. What is the federal government's commitment with regard to any deficit that might result from Expo '67?

2. Has an estimate of the deficit been made by officials of Expo '67 and, if so, what is this estimate?

3. What is the breakdown of participation between the federal government and the government of the Province of Quebec and the City of Montreal?

Hon. Mitchell Sharp (Minister of Trade and Commerce): 1. The Federal Government's commitment is 50 per cent of the deficit.

2. The estimates of cost and revenues have been under constant review since December 1963 when the master plan for the Exhibition was submitted to and approved by the three governments. At this date, the revenues are estimated at $184,276,000 and the expenditures are estimated at $244,092,000. The net cost to the three governments sponsoring Expo '67 is placed at $59,816,000.

Individual costs are thus estimated at $29,908,000 for the Federal Government, $22,431,000 for the Government of the Province of Quebec and $7,477,000 for the City of Montreal.

3. See answer to Part 2.

TOTAL COST OF EXPO '67

Question No. 853—**Mr. Coates:**

1. Has the Canadian Corporation for the 1967 World Exhibition prepared an estimate of the total cost of Expo '67?

2. If such an estimate has been made, what is the amount and what was the original amount established in 1963?

Hon. Mitchell Sharp (Minister of Trade and Commerce): 1. Yes.

2. The total cost at today's estimate is $59,816,000, as compared to the estimate in 1963 of $47,534,000.

EXPO '67—EMPLOYEES, WAGES, ETC.

Question No. 854—**Mr. Coates:**

1. What is the number of employees of the Canadian Corporation for the 1967 World Exhibition at the present time?

2. What is the estimated total employment by the Corporation in 1967?

3. What is the total amount of wages, salaries and expenses of individuals employed by the Canadian Corporation for the 1967 World Exhibition for 1964?

4. What is the total amount of wages, salaries and expenses of individuals employed by the Canadian Corporation for the 1967 World Exhibition for the first five months of 1965?

Hon. Mitchell Sharp (Minister of Trade and Commerce): 1. The number of administrative and operating employees of the Corporation at the present time is 650.

2. The estimated total employment of administrative and operating employees of the Corporation in 1967 is 1,500.

Questions

3. The total amount of wages, salaries and expenses of individuals employed by the Corporation for the full year 1964 was $3,375,379.

4. The total amount of wages, salaries and expenses of individuals employed by the Canadian Corporation for the 1967 World Exhibition for the first five months of 1965 is $2,148,446.

COST OF HABITAT '67

Question No. 855—**Mr. Coates:**

1. What is the estimated cost of Habitat '67?
2. What is the estimate of the resale value of Habitat 1967 and who will bear the loss if one should occur?
3. Is it correct that a swimming pool will be constructed with each unit of Habitat 1967 and what is the estimated cost of the swimming pools which will be constructed?

Hon. Mitchell Sharp (Minister of Trade and Commerce): 1. The estimated cost of Habitat '67 is $13,200,000.

2. The resale value of Habitat '67 is presently estimated at $8,000,000. If a deficit does in fact occur it will be shared by the Federal Government 50 per cent, the Provincial Government 37½ per cent and the City of Montreal 12½ per cent. Provision for a deficit is already included in the Corporation's estimates.

3. No.

FEDERAL CONTRIBUTION TO TUNNEL CONSTRUCTION, EXPO '67

Question No. 856—**Mr. Coates:**

Is the Government of Canada assisting either the Government of the Province of Quebec, or the City of Montreal, in the construction of a subway tunnel to St. Helen's Island, the site of Expo '67 and, if so, what is the estimated contribution of the federal government in this regard?

Hon. Mitchell Sharp (Minister of Trade and Commerce): The Government of Canada is not assisting the Province of Quebec or the City of Montreal in the construction of a subway tunnel to St. Helen's Island.

PROVINCIAL SALES TAX ON PURCHASES, EXPO '67

Question No. 857—**Mr. Coates:**

Is it the intention of the Government of the Province of Quebec to collect a sales tax on purchases made at Expo '67?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Provincial sales taxes are not paid by the Canadian Corporation for the 1967 World Exhibition, the Federal and Provincial Governments or foreign exhibitors.

[Mr. Sharp.]

QUESTIONS PASSED AS ORDERS FOR RETURNS

NATIONAL DEFENCE EXPENDITURES, B.C.

Question No. 70—**Mr. Deachman:**

In each year since 1950, what have been the totals of expenditures made on behalf of National Defence within the province of British Columbia by way of (a) capital investment and maintenance of all military, naval and air force installations with the province (b) purchase within British Columbia of naval vessels and armed forces material of all kinds?

Return tabled.

REGIONAL SCHOOL FOR INDIANS, SIOUX LOOKOUT, ONT.

Question No. 134—**Mr. Fisher:**

1. Is any consideration being given to the establishment at Sioux Lookout, Ontario, of a regional school for Indians, particularly with the purpose in mind of offering trade and technical courses; if so, what other communities are being considered for this school?
2. What representations have been made to the government regarding such a school, including the names of persons or organizations putting the argument forward?

Return tabled.

ARCHITECTURAL AND ENGINEERING CONSULTANTS, OTTAWA

Question No. 460—**Mr. More:**

Does the Government of Canada and the Department of Public Works employ consulting architectural and engineering firms in connection with government projects in Ottawa and area and, if so (a) what are the names and addresses of the firms so employed, and (b) what are the projects on which each firm is engaged?

Return tabled.

ARDA—PROJECTS BENEFICIAL TO FISHERMEN

Question No. 623—**Mr. Howard:**

Since the inception of ARDA, has any approval been given to any projects which would be of direct benefit to fishermen and, if so, what is, with respect to each such project, (a) the total cost (b) the name of the provincial government involved (c) the federal government's share of the cost (d) the provincial government's share of the cost (e) the date of the approval (f) the details?

Return tabled.

MOTOR TRANSPORT BRANCH, H.M.C.S. "SHEARWATER"

Question No. 690—**Mr. Douglas:**

1. Is there an irregular shift cycle in operation in the Motor Transport Branch at H.M.C.S. *Shearwater*?
2. If so, (a) when was the irregular shift cycle introduced (b) how does the irregular shift cycle operate?
3. Are any drivers exempt from work on weekends?

4. If so, why are such drivers exempt from week-end work?
5. Are seasonal drivers employed in the Motor Transport Branch?
6. If so, did seasonal drivers receive a pay increase at the same time regular drivers received a pay increase?
7. If not, what was the reason for not granting seasonal drivers a pay increase?
8. What is the basis upon which members of the Motor Transport Branch are promoted?
9. Are permanent drivers assigned to the ambulances at H.M.C.S. *Shearwater*?
10. If not, was it ever the policy to have such permanent ambulance drivers and when was any such change made?
11. On what date was the most recent competition held for the position of supervisor for the Motor Transport Branch?
12. What are the names of those who took part in this competition?
13. Were any prevailing rate employees disqualified after writing an exam for this competition?
14. If so, what were the reasons for such disqualification?
15. Are service vehicles used by naval or civilian personnel for the purpose of moving personal household furniture and effects?
16. Are members of the Motor Transport Branch prevented from going to their personal vehicles during working hours?
17. If so, to what other sections at H.M.C.S. *Shearwater* does this ruling apply?

Return tabled.

Hon. Michael Starr (Ontario): I rise on a point of order. I wish to bring to the attention of the Government, and in particular of the Acting Prime Minister who is in charge of the Government these days, the fact that despite the answers which have been forthcoming to the questions, written and oral, which appear on the order paper, there are still approximately 167 questions which remain to be answered. Of these 24 are two months old, 51 are approximately one month old, and some 89 are between three days and two weeks old.

I submit that in return for co-operation in cutting down the length of the oral question period we expected that this Government and its ministers would show some improvement in answering promptly the questions which are placed on the order paper. But gentlemen opposite have evidently not mended their ways. The presence on the order paper of so many questions still to be answered is a sign of negligence on the part of ministers. It is far too large a number of questions to have remained unanswered for such long periods. I appeal to the Acting Prime Minister, if he has any influence with his colleagues, and within his own department, to try to rectify this situation.

Hon. Paul Martin (Acting Prime Minister): I did not rise to point out that the hon. gentleman's statement was, of course, out of order. I did not raise a point of order because I knew the hon. gentleman was trying to help the Government. I would simply ask him to recall that we now have more questions than we ever had before. This was a constant source of complaint when we sat on the other side of the House. In any event, since the hon. gentleman has approached this problem in a constructive way I will reply in an equally constructive manner by undertaking to look into it at once.

[*Translation*]

Hon. Théogène Ricard (St. Hyacinthe-Bagot): Mr. Speaker, I should like to rise on a question of privilege at this point.

On May 20 last, I put a question to the right hon. Prime Minister (Mr. Pearson) asking him if lawyer Paul Lacoste, of Montreal, was still co-secretary of the Royal Commission on Bilingualism and Biculturalism. At that time, the Prime Minister replied that he would find out and give me a reply shortly.

Having had no reply, I had a starred question put on the order paper on June 16, 1965. That question has remained unanswered, and I wonder if the Acting Prime Minister (Mr. Martin) might be willing to wake up a few sleepy heads in order that I might obtain a reply to my question.

[*English*]

Mr. Martin (Essex East): Mr. Speaker, I think you will agree that under the new rules this question requires notice to be served.

Mr. Aiken: No.

Mr. Martin (Essex East): There is no doubt about that. I will take the question as notice.

Mr. Aiken: Mr. Speaker, surely—

Mr. Speaker: Order. Surely we can make faster progress. We have heard the complaint, which is what it amounts to.

Mr. Stewart: Mr. Speaker, that starred question was answered last week.

Some hon. Members: Oh, oh.

Mr. Ricard: If this is the case, Mr. Speaker, I apologize; but I do not think it was answered —not in my presence, anyway.

Inquiries of the Ministry

IMMIGRATION

TORONTO—CONSIDERATION OF STATUS OF DUANE DOYLE

On the orders of the day:

Hon. J. R. Nicholson (Minister of Citizenship and Immigration): Mr. Speaker, the hon. Member for Winnipeg North Centre very courteously reminded me today of an answer I had promised some weeks ago would be given, but which I have not yet given. On May 7 he asked me to check into the case of one Duane Doyle. I have looked into the case, and would inform the hon. Member and others interested that Mr. Doyle and his family left Canada, actually they returned to the United States on June 13. It is quite possible that they will return to Canada this fall. They say they like this country and want to settle here as landed immigrants. If they return their case will start de novo.

ADMINISTRATION OF JUSTICE

DORION INQUIRY—INQUIRY AS TO REPORT

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, the first question I direct to the Acting Prime Minister, and ask him whether the report of the inquiry held by Mr. Justice Dorion is now available. Has the Government this report in its possession, and were the press references correct to the effect that this report would be made available today?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, all I can say is that the Government has not yet received the report of the Royal Commission.

Mr. Diefenbaker: Is there any foundation for what is stated in the press, that it is to be made available at four o'clock tomorrow—I think that is the Canadian Press report—or does the Government not intend to have this report produced before the adjournment of this particular portion of the session?

Mr. Martin (Essex East): There would be no basis for the last observation, Mr. Speaker. The report has not yet been received.

[*Later:*]

Mr. Diefenbaker: Mr. Speaker, at the beginning of the question period today I asked the Acting Prime Minister whether the Dorion Commission report had been made available for the Government, and he said no. I now direct the question to the Minister of Justice, and ask him whether he has had a copy of the report, as a Member of the Government, or a summary of the findings; and if so when?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, the only summary or alleged summary I have ever seen was the alleged leak drawn to our attention by the Leader of the Opposition.

Mr. Diefenbaker: I never drew it to the attention of the House; I read it in the newspaper, and I was a long way off at the time. I asked the Minister, has he seen a summary or precis of the recommendations or findings; that was the question?

Mr. Favreau: I never saw any summary or part or preview of the report.

[*Later:*]

Hon. Gordon Churchill (Winnipeg South Centre): I should like to ask the Minister of Justice a question concerning the Dorion report. What did he mean by a statement that is reported in the Winnipeg *Tribune* of June 19, 1965, and I quote:

> I cannot comment even slightly about it, but the earlier it is tabled, the better. You can gather from that what I think its conclusions will be.

May I ask the Minister of Justice if that does not indicate that he has some prior knowledge with regard to the conclusions of the report?

Mr. Pickersgill: That is real McCarthyism.

Mr. MacEwan: You are an expert; you ought to know.

Mr. Favreau: It only indicates, Mr. Speaker, a restful state of mind in relation to what I know are the actions I have taken.

INDUSTRY

INQUIRY AS TO ACTIVITIES OF AREA DEVELOPMENT AGENCY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Industry which is of interest to quite a number of organizations in western Canada. How many representatives of the Area Development Agency of the Department of Industry are employed in promoting industrial development in Canada? What particular form of organization is being recommended by these officials to municipal councils, Chambers of Commerce and other organizations interested in this question?

Some hon. Members: Order paper.

Mr. Speaker: Surely this is a good type of question for the order paper. However, in view of the fact that there may be a short delay, if the Minister is prepared to answer perhaps it might be useful to clear the question.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I will clear the question. There are six representatives of the Area Development Agency employed in the manner outlined in the hon. gentleman's question. The type of organization recommended varies with the size of the town or city, but generally it is suggested that each community form an independent industrial commission composed of representatives from the city or town council and the local Board of Trade or Chamber of Commerce, as the case may be, for the purpose of fostering the development of industry within the community.

If warranted, a recommendation may be made that the community consider hiring of a part time or full time industrial commissioner who can take the lead in carrying out industrial development work. In addition, in co-operation with provincial authorities the officers of the Area Development Agency have also indicated guide lines which interested communities might follow in outlining to industry the basic facilities and services which are available within an area.

In the case of the Province from which the hon. Member comes, in particular, the area development officer has been taking an extended tour through the main centres in the Province with the purpose of familiarizing himself with business and economic activities and also to advise these communities how they might best attract industries to their area. The tour has been arranged with the full knowledge and co-operation of the British Columbia Department of Industry and Commerce.

DEFENCE PRODUCTION

THEFT OF COBALT CONCENTRATE AT DELORO, ONT.

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, may I first take this somewhat belated opportunity of welcoming you back today from the functions in connection with the 700th anniversary of the first parliament, and the business meetings you had in Paris and Geneva, which we hope reached profitable conclusions.

My question today is to the Minister of Industry and possibly to the Minister of Justice. On four different occasions, the first being on May 11, I have requested information regarding the theft of 150 tons of cobalt contained in some 245 barrels or drums. I think it was on June 15, the day of my last question that the Minister of Industry said he would have a statement the following day. We are still waiting for some information about this preposterous situation, where strategic material was taken in such quantity and we cannot get any information about it.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I think, as the House will be aware, that the cobalt in question was ordered at a time when cobalt was considered a strategic material to be stockpiled. Since then, however, the production of cobalt throughout the world has reached a point where it is no longer considered a strategic material—

Mr. Starr: It is stealable now, is it?

Mr. Drury: —any more than would be nickel, chromium, tungsten or molybdenum. The 150 tons in question was in the custody of the producer and refiner of cobalt. It has disappeared from their premises. The Ontario Provincial Police have been assiduously undertaking an investigation of this theft. The Government has indicated to the company that it holds it responsible for the return of the cobalt, and we are now awaiting the results of the investigation by the Ontario Provincial Police.

Mr. Thompson: Mr. Speaker, it is an intriguing question and I cannot interpret from the Minister's answer whether, strategic or not, this loss can be excused. On June 15 I asked who are the users of cobalt, locally or internationally, in so far as wanting such material in large quantity is concerned.

Mr. Drury: Mr. Speaker, without going into a lecture I might say that any industrialized nation is a substantial user of cobalt. This metal is used principally as an alloying element in many types of high speed steels, heat-resisting alloys and permanent magnet alloys. Dealing with the consumption of cobalt, I am told it is approximately 12,000 tons annually, and that this loss represents, as the hon. Member will understand, a very small fraction of the annual consumption of cobalt by industrialized nations.

Mr. Diefenbaker: What is its value?

Mr. Thompson: It involves some $100,000 of taxpayers' money.

Inquiries of the Ministry

URANIUM

PROGRESS OF DISCUSSIONS RESPECTING SALE TO FRANCE

On the orders of the day:

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I wish to put a question to the Acting Prime Minister (Mr. Martin).

It seems to me that it is in the interest of the house to know what is the present standing of the negotiations with France respecting this famous Canadian uranium sale contract. Are those negotiations definitely broken off or are they still going on?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, I shall ask my colleague the Minister of Trade and Commerce to answer that question.

[*English*]

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, discussions are proceeding between some of the Canadian uranium mines and the French Government, I am informed, on the basis of the declaration of policy made by the Canadian Government which I have reported to this House.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): A supplementary question, Mr. Speaker. Has not the French government notified Canada that it will not accept the principle of inspection; and is it not a fact that at this very time EURATOM is giving consideration to this matter so that an arrangement might possibly be made through the instrumentality of that body?

Mr. Sharp: I am sorry, Mr. Speaker, but I did not quite understand the purport of the right hon. gentleman's question. Would he mind repeating it?

Mr. Diefenbaker: What I am saying is this. Is it not a fact that every indication has been given by the Government of France that it will not accept the principle of inspection by Canada to assure that uranium sold to that country shall be used for civil purposes? Second, with a view to resolving that difficulty, is it not the case that EURATOM has entered the equation, and that through that organization it may be possible to work out a plan which will be satisfactory to the Republic of France?

Mr. Sharp: Mr. Speaker, I cannot confirm what the right hon. gentleman has said. During the discussions with the French Government which I had in Paris we discussed various forms of control, but did not at that time reach any agreement as to what would be a suitable method of control. The French Government did express its objection to one particular form, but no agreement has yet been reached as to which of the remaining forms might be suitable.

Mr. Diefenbaker: One further question on that. What was the specific plan of inspection to which the French Government objected?

Mr. Sharp: The French Government indicated to us that it was not prepared to accept the international Atomic energy agency.

[*Translation*]

Mr. Caouette: Mr. Speaker, a supplementary question. Could the Minister of Trade and Commerce tell us whether this control and inspection policy regarding uranium to be sold to France has been requested, suggested or dictated to the Canadian government by the American government?

Are the United States demanding this control on the sale of Canadian uranium to France?

[*English*]

Mr. Sharp: No, Mr. Speaker.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to put a supplementary question to the Minister of Trade and Commerce. There were C.T.V. news reports over the week end which indicated that France had rejected Canadian control but that she would accept EURATOM inspection for the purposes mentioned. I should like to know whether this has been conveyed to the Canadian Government, also whether the Canadian Government accepted the principle of EURATOM carrying out the inspection.

Mr. Sharp: Mr. Speaker, so far as I am aware we have had no such message from the French Government. However, perhaps I ought to say that the Canadian Government has not insisted upon a bilateral arrangement whereby Canadians would do the inspection. We would be prepared to consider alternative forms of control. I am not certain, of course, whether the controls under EURATOM would be satisfactory, but they are certainly open for discussion.

LABOUR CONDITIONS

REPORTED DISCRIMINATION BY AIR LINES AGAINST MARRIED WOMEN

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, a week ago last Monday the Acting

Prime Minister informed me that the question I had asked some week and a half ago relative to the Government's attitude on discrimination against married women in employment, or against women in employment who were intending to get married, would be answered by the Minister of Labour not later than today. Could I ask the Minister of Labour for his reply?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I do not know why the Secretary of State for External Affairs would expect me to be more qualified than he on a subject dealing with the employment status of married women, but I have examined the arbitration award which has been the basis for this decision and there are, as I understand it, arguments on both sides of the question. In this case the arbitrator, or the board, quoted extensively from a finding that had been made in a similar case indicating the reasons, from the point of view of health and safety on the part of the personnel and on the part of passengers, that in the view of the arbitrator justified this award. In this case I have received representations, and I have suggested that in this particular context an effort ought to be made to settle the matter within the collective agreement. But I agree, as has been pointed out in another award in France, that this matter does raise questions of policy with respect to human rights that I cannot possibly deal with on the orders of the day.

Mr. Winch: A supplementary question, Mr. Speaker. That was not my basic question. My question was this. In view of the arbitration decision would the Government take under consideration amending the Bill of Rights or the appropriate bill so as to remove discrimination against women in employment because of their single or married status? That was my question. Would the Minister answer that question, or take it under consideration?

Mr. MacEachen: Mr. Speaker, I will be glad to consider whether there is any violation under existing statutes and whether any steps can be taken to meet the point made by my hon. friend.

CANADA LABOUR CODE

APPLICATION TO C.N.R. HOTEL, ST. JOHN'S, NFLD.

On the orders of the day:

Mr. Joseph P. O'Keefe (St. John's East): Mr. Speaker, my question is addressed to the Minister of Labour. Can the Minister assure the House and the employees of the Canadian National's Newfoundland hotel in St. John's that they will be included under the provisions of the minimum wage legislation in the new Canada Labour Code?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, as I understand it the hotel in question is a C.N.R. hotel and for that reason will come under the application of the Canada Labour Code.

DOMINION-PROVINCIAL RELATIONS

COMMUNICATIONS WITH QUEBEC RESPECTING OFFSHORE MINERAL RIGHTS

On the orders of the day:

[*Translation*]

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, I should like to put a question to the Acting Prime Minister.

Could he tell the house whether or not he has received a communication from the Quebec government or the premier of that province, Mr. Lesage, concerning offshore resources? Could he tell us if the Quebec government has indicated that it had exclusive jurisdiction over those resources?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, I should like to take this question as notice.

Mr. Gilles Grégoire (Lapointe): A supplementary question, Mr. Speaker.

Since he is now the head of the government in the absence of the right hon. Prime Minister, does the Acting Prime Minister (Mr. Martin) intend to settle that matter privately with the province of Quebec and to try to convince the Minister of Northern Affairs and National Resources (Mr. Laing) to leave to the province its long standing jurisdiction over its offshore as well as its underground resources?

Mr. Martin (Essex East): As my friend is well aware, Mr. Speaker, my colleague is a minister and a very conscientious man—

Mr. Grégoire: It does not show.

Mr. Martin (Essex East): He knows his obligations and he tries to do all he can in the interests of the country and of all Canadians.

Mr. Martineau: Mr. Speaker, I have a supplementary question.

Has the Acting Prime Minister had the opportunity to consider the rather astonishing statement made by the Minister of

Northern Affairs and National Resources in the house, last Friday, when he declared that those rights belonged to the federal government?

Mr. Martin (Essex East): Mr. Speaker, I find the question interesting but, to my regret, I did not hear that statement.

[*English*]

SPORTS

CANADIAN APPLICATION TO HOLD 1968 WINTER OLYMPICS

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I should like to direct a question to the Acting Prime Minister, and its great urgency is based on the forthcoming meeting of the International Olympic Committee. I should like to ask the Acting Prime Minister whether Canada still has a chance to act as host to the 1968 winter Olympic games?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, my hon. friend gave me notice of this question and I thought I had indicated that I was looking into the matter.

Mr. Grafftey: A supplementary question. While the Minister is looking into the matter would he try to ascertain for the House whether France cannot act as host to the winter Olympic games in 1968 because of problems relating to the recognition of East Germany?

Mr. Martin (Essex East): Mr. Speaker, I would doubt that conclusion, but I will include that in my researches.

Mr. Grafftey: Mr. Speaker, will the Minister answer the question before the House adjourns, either tomorrow or the next day?

Mr. Martin (Essex East): I would hope so, Mr. Speaker.

AIR TRANSPORT

CANADIAN PACIFIC AIRLINES SERVICE TO THE NETHERLANDS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Minister of Transport arising out of an article written by Gerald Waring which appears in the current issue of *Maclean's* magazine. When the Minister announced the Government's new air transport policy, as he did on June 1, indicating that Air Canada would have complete control of air services from Canada to northern, western and eastern Europe with the single exception that Canadian Pacific Airlines would serve the Netherlands, did he refer only to such service as the C.P.A. already is flying over the Pole to the Netherlands, or did he mean something more than he said on that occasion?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, there is a bilateral arrangement with the Netherlands, and it is intended that any service there may be between Canada and the Netherlands will be provided by Canadian Pacific Airlines, just as it is intended that any service between the United Kingdom and Canada and between Canada and France will be provided by Air Canada. Any expansion of any of these services will be provided by the air line in question.

Mr. Knowles: I have a supplementary question, Mr. Speaker. Does the Minister not realize that if Canadian Pacific Airlines is permitted to fly from Montreal to Amsterdam this is a violation of the principle that the Government has laid down with respect to the right of Air Canada to serve northern, western and central Europe?

Mr. Pickersgill: Mr. Speaker, I do not have any such realization. I said quite clearly in my statement that this was an exception to the principle, and it is an exception.

Mr. Knowles: I have a further supplementary question. In view of the Minister's suggestion that he made a clear statement, does he not realize that by that statement he misled the House?

Mr. Pickersgill: No, I do not, Sir. I do not think my words bear any such interpretation. If the hon. gentleman drew a wrong inference from my words, I cannot be blamed for that.

Mr. Knowles: I drew the inference from what the Minister said.

TRANSPORT

INQUIRY AS TO STUDY RESPECTING ATLANTIC PROVINCES

On the orders of the day:

[*Translation*]

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, I wish to ask a question, but first of all I would like to point out to the house that for the first time in history a group of students from 20 secondary schools in Gaspesia are here this afternoon and are listening to the debates of the house. I wish to welcome these students most cordially in Ottawa.

Now I wish to put my question to the Minister of Transport.

Will the studies on transportation in the Atlantic provinces which were announced by the Minister on June 8 include the areas south of the St. Lawrence river and east of Lévis, in the province of Quebec?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, in the course of the studies on the problems and needs in the field of transportation in the Atlantic provinces account will have to be taken of the Maritime Freight Rates Act and also of possible amendments of this act.

As the Maritime Freight Rates Act applies in the Quebec areas located south of the St. Lawrence river and east of Lévis, account will also have to be taken of the requirements of these areas as concerns railway transportation, as well as of some other related factors.

I have discussed this problem with the Premier of Quebec and he shares my point of view.

[*English*]

CHAMPLAIN WATERWAY—INQUIRY AS TO REPORT

On the orders of the day:

[*Translation*]

Mr. Gérald Laniel (Beauharnois-Salaberry): Mr. Speaker, I should like to put a question to the Acting Prime Minister in his capacity as Secretary of State for External Affairs.

Is the minister in a position to tell us whether the report of the International Bureau of Studies of the Champlain waterway which was supposed to be submitted by the Joint International Commission at the end of June will be made public shortly?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, I should like to thank the hon. member for giving me notice of his question. After inquiring from the Joint International Commission, I can say that the latter will not be in a position, of course, to make any decision with regard to the report before receiving it.

When it has received and studied the report it will be able to decide what attitude to take.

Mr. Laniel: Mr. Speaker, may I put a supplementary question?

Considering the importance of that project for members representing eastern ridings as well as for the development of the country, I wonder whether the report could be distributed to all members of the House as soon as it is submitted to the Commission so that we could read it?

Mr. Martin (Essex East): Yes, Mr. Speaker.

[*English*]

SASKATCHEWAN—REPORTED SHORTAGE OF BOX CARS

On the orders of the day:

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, I should like to direct a very urgent question to the Minister of Trade and Commerce based on a telegram which was forwarded to me this morning, to the effect that the problem of the availability of box cars to move grain from eastern Saskatchewan has become very acute. Wheat pool committees from Creelman, Osage, Fillmore, Heward and Tyvan have wired to say that at least 570 cars will be required to move the grain out of that area alone before the end of the crop year. Will the Minister, working in conjunction with the Minister of Transport, give this serious matter immediate attention?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, yesterday I received by telephone the telegram referred to by my hon. friend, and the matter is already in hand.

REPORTED DROP IN GRAIN DELIVERIES TO WEST COAST

On the orders of the day:

Mr. E. Nasserden (Rosthern): Mr. Speaker, I have a question for the Minister of Trade and Commerce. Has the situation regarding grain deliveries through the west coast deteriorated during the past week or so, and could the Minister indicate what steps or action the Government is contemplating to meet this situation?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, in fact the movement of cars to the west coast has been improving recently. As hon. gentlemen may know, the railway companies and the elevator companies had been anticipating a strike for some time and had held up the movement of cars because they did not want them piling up in Vancouver. But in recent days and weeks the movement has increased so, however paradoxical it may seem, the situation has improved.

Inquiries of the Ministry

SHIPPING

INQUIRY AS TO RESUMPTION OF SHIPBUILDING SUBSIDIES

On the orders of the day:

Mr. H. Russell MacEwan (Pictou): Mr. Speaker, I have another question for the busy Minister of Transport. In view of the reported statement by the Canadian Shipbuilding and Ship Repair Association that unless the commercial shipbuilding subsidy is restored by 1966 orders will be placed in the United Kingdom, is it the Government's intention to end the suspension of this subsidy in order to encourage the placing of orders with Canadian shipyards, as was the intention when these subsidies were introduced?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, the Government is giving most urgent consideration to the question of the form and nature of federal assistance to Canadian shipbuilding and is quite aware of the statement which the hon. Member has repeated today. I should like to remind the House again, as I have done on several occasions, that the provisions of the Canadian Vessel Construction Assistance Act are available to shipbuilders at the present time.

Mr. MacEwan: I have a supplementary question. Can the Minister give the House any idea as to when the interdepartmental committee on this matter will be reporting to the Minister and to the Government?

Mr. Pickersgill: Mr. Speaker, I know from personal experience and from observation of the experiences of some other Ministers of this and other Governments that it is very hazardous to give these target dates. All I can say is that I hope it will be soon.

INDIAN AFFAIRS

WHITEHORSE—ACTION TO BE TAKEN FOLLOWING ACQUITTAL OF OFFICIAL

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I should like to direct a question to the Minister of Citizenship and Immigration which is also of interest to the Minister of Justice. In view of the fact that the trial of Mr. William Grant has now been concluded in Whitehorse, does the Minister intend to make any amendments for what the Edmonton *Journal* has termed an outrageous prosecution?

Hon. J. R. Nicholson (Minister of Citizenship and Immigration): Mr. Speaker, I cannot of course accept a conclusion reached by a newspaper, no matter how worthy that newspaper might be. I may say I have asked for a transcript of part of the proceedings and the matter, will then be considered. When a decision has been made it will be announced, I hope at an early date.

Mr. Nielsen: Mr. Speaker, will the Minister during his consideration of this matter also seriously consider the reinstatement of Mr. Grant in his former position?

Mr. Nicholson: Mr. Speaker, I have said that the matter would be given consideration and study at an early date. An announcement will be made very quickly in respect of the position we will take.

BUSINESS OF THE HOUSE

INQUIRY AS TO NAMING OF AGRICULTURE COMMITTEE

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to ask the Government House Leader or the Liberal Whip when the standing committee on agriculture is to be set up. The members of all the other committees with the exception of this one were named recently, and perhaps we could now have some indication as to when nominations and the motion are to be made to set up this committee.

Mr. J. E. Walker (York Centre): Mr. Speaker, I understand there have been some inconclusive discussions regarding the number of members of different parties to be represented on this committee on the basis of a larger committee than was originally suggested. I have a resolution which I am prepared to move at any time.

REDISTRIBUTION

ONTARIO—PUBLICATION OF MAPS IN WEEKLY NEWSPAPERS

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to ask the Secretary of State whether he has heard anything more about the decision of the Redistribution Commission of Ontario regarding the publishing of certain new maps in weekly newspapers of this province.

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, as I promised I have communicated with Hon. Mr. Justice Richardson, Chairman of the Electoral Boundaries Commission, and he has told me that representations by the weekly press were re-

ceived too late to be considered when the new maps were published in the daily press. The Commission has now reconsidered the matter and has decided not to advertise in the weekly press because it would involve setting a new date for public hearings, which would cause undesirable confusion in view of the date already indicated in the daily press.

Mr. Starr: I rise on a question of privilege, Mr. Speaker. I believe the excuse that has been given for not publishing these maps in the weekly press in ridings where no other newspaper serves the area is a very lame excuse.

Some hon. Members: Order.

Mr. Starr: Mr. Justice Richardson has said he will take direction from the Government.

Mr. Speaker: Order, please.

LABOUR RELATIONS

INQUIRY AS TO REPORT ON RAILWAY RUNTHROUGHS

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): May I ask the Minister of Labour when he expects to have the report from Mr. Justice Freedman on the railway runthroughs, and whether the promise he made to amend the Industrial Relations and Disputes Investigation Act depends on the recommendations in that report?

Hon. A. J. MacEachen (Minister of Labour): The latest information I have is that Justice Freedman expects to bring down his report by October 1. The comments I made in connection with the Industrial Relations and Disputes Investigation Act were made before the railway unions, and in those comments I raised questions which were obviously under discussion by the Commission, and have been under discussion.

VANCOUVER—POSSIBLE WIDENING OF STRIKE OF GRAIN HANDLERS

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I have a question of some urgency that I should like to address to the Minister of Labour. It has to do with the shipment of Prairie grain from the port of Vancouver. The question is, has the Minister received, as some Members have, a complaint from the union involved in connection with grain shipments at Vancouver, to the effect that tactics are being used by the elevator concerned which may lead to the widening of the strike? What is the situation there with regard to an early settlement?

Hon. A. J. MacEachen (Minister of Labour): There has been a communication that might bear the interpretation mentioned by my hon. friend, and because it dealt with matters largely within the jurisdiction of his Department an answer has been sent to the union on this matter by the Minister of Trade and Commerce.

In connection with the settlement of the dispute, the mediator is still conducting negotiations on the West Coast with a view to a settlement.

Mr. Mather: I wonder if we could have the substance of the reply sent by the Minister of Trade and Commerce with regard to the first question.

Hon. Mitchell Sharp (Minister of Trade and Commerce): I do not like to answer an unspecified question. I would be happy to answer if one is put to me.

Mr. Mather: The question was, has the Minister received a complaint from the grain handlers union involved to the effect that the elevator company is using tactics which may widen the dispute and further delay the shipment of grain from Vancouver? I understood the Minister of Labour to say that the Minister of Trade and Commerce had replied to this complaint and I wondered what his reply was.

Mr. Sharp: My hon. friend quite rightly said the telegram could bear that interpretation. The particular point, I think, that was in the mind of the hon. Member in asking this question was the suggestion in the telegram that cars were being diverted from the Alberta Wheat Pool elevator to other elevators. In my reply I said I was aware of the one case that they had mentioned in their telegram, and if there were any others I would have them investigated.

FINANCE

INQUIRY AS TO U.S. REACTION TO BANK ACT AMENDMENTS

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): I should like to ask the Minister of Finance whether he has received any official or unofficial representations from the Government of the United States with regard to the retroactive provisions of the new Bank Act regarding the Mercantile Bank. If so, what has been

the representation and what has been his reply?

Hon. Walter L. Gordon (Minister of Finance): No, Mr. Speaker.

Mr. Lambert: Has the Minister received any information that there may be action taken by the United States Government in retaliation against Canadian agencies?

Mr. Gordon: No, Mr. Speaker.

CANADIAN BROADCASTING CORPORATION

PRESENTATION OF FILM ON SAFER AUTOMOBILE CONSTRUCTION

On the orders of the day:

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, may I put a question to the Secretary of State? Does the English network of the C.B.C. intend to show once again the National Film Board's film entitled "Every second car" designed to promote safe automobile designs?

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, I am informed that this film will be shown once again today.

Mr. Marcoux: A supplementary question, Mr. Speaker.

Is the intention of the government to ask the National Film Board to translate this documentary film, for the C.B.C. would have great interest in showing that film on its French network?

Mr. Lamontagne: I will be pleased to convey this request to the government film commissioner.

[*English*]

NATIONAL ANTHEM

INQUIRY AS TO PROPOSALS FOR ADOPTION

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to direct a question to the Acting Prime Minister.

We were promised a national flag and a national anthem within two years after the Liberal party's taking office and that delay expired over two months ago. Moreover, there is not on the order paper any measure indicating the government's desire to propose the adoption of a national anthem by both houses this year. Therefore, can the Acting Prime Minister tell us when the national anthem will be adopted by Parliament and also if that will be before the summer recess?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, I think this proposal is contained in the speech from the throne and, if I am not mistaken, that matter was discussed recently on the orders of the day.

However, if this answer is not satisfactory to my hon. friend maybe I could add to it tomorrow.

Mr. Grégoire: Mr. Speaker, I should like to direct a supplementary question.

Since the two year delay the government had set for action expired over two months ago, does the government intend to respect as much as possible that promise at least, and give our country a national anthem before the summer recess?

Mr. Martin (Essex East): Mr. Speaker, as I said earlier, this project has been announced in the speech from the throne.

[*English*]

ADMINISTRATION OF JUSTICE

SEAFARERS BUILDING CORPORATION—NON-COMPLIANCE WITH COMPANIES LEGISLATION

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I wish to direct a question to the Secretary of State concerning the inquiry I made of him last week with respect to possible action, under the provisions of the Companies Act, against the S.I.U. Building Corporation.

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, I wish to advise the hon. Member that summaries for the periods ending March 31, 1964 and March 31, 1965 were received in the Department on June 21 last. The company is now in good standing.

Mr. Nielsen: May I direct a supplementary question, Mr. Speaker. If these summaries were received on the 21st, this was prior to the answer given in the House to the question put on the order paper by the hon. Member for Kootenay West. Why was this information not provided to the House on that occasion?

Mr. Lamontagne: Mr. Speaker, I wish to add to my first reply and say that the Department of the Secretary of State has never prosecuted any company or any director or any officer for default in filing annual summaries. This was mainly due to the difficulty in enforcement of the penalty provisions under the old Companies Act. The new Corporations

Act, which comes into force July 1, 1965, provides new and more easily enforceable sanctions in this respect.

Mr. Nielsen: As a last supplementary, now that the Government is in possession of this information will it tell the House whether Hal Banks is on the directorship of the corporation?

Mr. Lamontagne: I will take notice of this question, Mr. Speaker.

CANADIAN FLAG

REQUEST FOR INSTRUCTIONS IN PROPER USAGE

On the orders of the day:

[*Translation*]

Mr. Albert Béchard (Bonaventure): Mr. Speaker, I should like to direct a question to the Secretary of State, but before doing so I wish to call to the house's attention the presence of an important delegation of students from the Gaspé peninsula and to wish them a most pleasant stay in the national capital.

Will the government follow up the numerous requests and suggestions made by various Canadian associations, namely the district Chamber of Commerce of the Gaspé peninsula, for the establishment of regulations concerning the use of the Canadian flag with a view to surrounding our national emblem with all due respect?

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, I will take that question as notice and give an answer to the hon. member as soon as I have the information.

[*English*]

AGRICULTURE

VANCOUVER ISLAND—COMPENSATION FOR LOSS OF NURSERY STOCK THROUGH INFESTATION

On the orders of the day:

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, my question is directed to the Minister of Agriculture—

Mr. Hales: Where is he?

Mr. Chatterton: —or in his absence to his Parliamentary Secretary.

Mr. Hales: And where is he?

Mr. Chatterton: No doubt the Minister has been informed of the serious situation on Vancouver Island with the identification of the golden nematode. Can the Minister say what action is being taken to compensate those farmers and nursery growers who might be totally ruined by the discovery of this infestation?

Mr. John N. Turner (Parliamentary Secretary to Minister of Northern Affairs and National Resources): Mr. Speaker, in the absence of the Parliamentary Secretary I will take notice of this question.

AVAILABILITY TO FARMERS OF HAY ON NATIONAL DEFENCE PROPERTY

On the orders of the day:

Mr. J. E. Madill (Dufferin-Simcoe): Mr. Speaker, may I direct a question to the Minister of National Defence. In view of the extreme drought that exists in the Provinces of Ontario and Quebec, could the Minister make the hay and pasture, that is available on properties owned by the Department of National Defence, available to farmers where practical?

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, may I direct a supplementary question to the Minister of National Defence. Was the Minister's failure to answer the question from the hon. Member for Dufferin-Simcoe another example of Government arrogance toward the very serious problem facing farmers in Eastern Ontario?

Mr. Speaker: Order. I am afraid that was a statement, not a question.

OTTAWA VALLEY—DISCUSSIONS WITH PROVINCIAL MINISTERS RESPECTING DROUGHT

On the orders of the day:

[*Translation*]

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, I should like to put a question to the Acting Minister of Agriculture.

Can the minister inform the house of the results of the meeting which is supposed to have been held this afternoon between the Minister of Agriculture and the representatives of the Ontario and Quebec governments concerning the situation of eastern farmers, especially those in the Ottawa valley?

Hon. Maurice Sauvé (Minister of Forestry): Mr. Speaker, the meeting started at 1.30 p.m. between the Minister of Agriculture and myself, on one hand, and Messrs. Stewart and Courcy and their officials, on the other hand. It is still going on in the office of the Minister of Agriculture.

Mr. Martineau: Mr. Speaker, can the hon. Minister tell us when he will be in a position to give us a report on that meeting?

Mr. Sauvé: I believe that the Minister of Agriculture will be able to report tomorrow.

Mr. Clément Vincent (Nicolet-Yamaska): Mr. Speaker, may I ask a supplementary question.

Can the Minister of Forestry tell us if the federal government, in the course of last week, consulted the organizations of the districts concerned prior to meeting with the provincial governments?

Mr. Sauvé: Not to my knowledge, Mr. Speaker, although I have received a telegram from "l'Union catholique des cultivateurs" containing the following pertinent message:

We are very happy to note action taken by government authorities to help farmers.

Mr. Vincent: A supplementary question, Mr. Speaker.

Could the Minister of Forestry tell us if, following this telegram, the government will say that it is because the official opposition has raised the question of a special debate on that matter that it dealt with that problem?

Mr. Sauvé: It is obvious, I think, Mr. Speaker, that this meeting has been called on the initiative of the government.

[*English*]

INQUIRIES OF THE MINISTRY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, may I direct a question to the Minister of Labour. It is based on a certain feeling for aging members of the Press Gallery and the opportunities provided by the coming recess under the vocational retraining legislation. Would the Minister inform the House whether consideration is being given to the establishment of a course in journalism, in a suitable school, that will provide an opportunity for the re-education of the so-called old guard members of the Press Gallery to the academic standards suggested as necessary in this scientific age by the hon. Member for Port Arthur?

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I have a question for the Acting Prime Minister. There seems to have been a lack of publicity with regard to the arrival of our distinguished visitor from England, the Chancellor of the Exchequer. I was wondering at what time and on what day the Secretary of State for External Affairs met him at the airport, and why wasn't it publicized in the press?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, perhaps I might be permitted to answer the question. Right Hon. James Callaghan is, of course, a most distinguished and most welcome visitor to Canada. His visit is of the same friendly and business-like character as the many informal visits which Canadian and British ministers have made back and forth from time to time in the past for exchanges of views with our opposite numbers.

Mr. Fairweather: Don't drown in that verbose reply.

Mr. Gordon: I am very grateful to my hon. friend for his interjection. On this particular occasion Right Hon. Mr. Callaghan decided to come early so he might pay a private visit to a friend of his, the British High Commissioner. Today he held a meeting with the Acting Prime Minister, and later he and I and our respective officials had a very helpful and useful exchange of views.

Mr. Churchill: May I ask a supplementary question of the Acting Prime Minister. In view of his experience at Orly airport in Paris, wouldn't it have been rather nice to have had the Chancellor of the Exchequer met by some representative of the Government?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, I believe firmly that there would be no one I would want to meet more warmly than the Chancellor of the Exchequer.

Mr. Diefenbaker: Why didn't you do it?

INDUSTRY

ASSISTANCE TO DOMINION COAL COMPANY IN OPENING NEW MINE

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I have a question for the Minister of Labour. In view of the remarks of Mr. Club with respect to the financial status of Dominion Coal Company, can the Minister indicate any steps the Government is prepared to take to provide assistance to that company regarding the opening of a new mine at Lingan?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, this is a matter of policy that could not be answered on orders of the day.

EXTERNAL AFFAIRS

ARREST IN U.S. OF CANADIAN CIVIL RIGHTS WORKER

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Acting Prime Minister. On Friday last I asked him a question concerning the reported arrest in Jackson, Mississippi, of Mr. Paul Saltzman, son of C.B.C. weatherman Percy Saltzman. The Minister's officials were good enough over the week end to inform me of what was happening. Can the Acting Prime Minister give us an up to date report concerning this young Canadian civil rights worker?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, this matter was brought to my attention Friday around noontime, and we gave instructions at once to our Consul General who has jurisdiction in that particular state. He has been in touch with the police and has been told that Mr. Saltzman, if he would agree to return to Canada, would be allowed to do so. However, Mr. Saltzman refused the offer because he wanted to stay with his group and did not want any preferred treatment. I have given our Consul General instructions to keep us fully informed, and I shall let my hon. friend know the course of events.

FISHERIES

RUSSIAN PARTICIPATION IN NORTH PACIFIC TREATY

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): A number of Members seem more interested in bothering the Minister of Agriculture, who is not here, than in questioning the Minister of Fisheries, who is here. I never like the Minister of Fisheries to feel neglected, so I will ask him whether in view of the recent activity of Soviet mother ships and trawlers some 50 miles off the west coast of Vancouver Island the Government has under active consideration new proposals to bring the U.S.S.R. into the North Pacific Fisheries Convention.

Hon. H. J. Robichaud (Minister of Fisheries): Some months ago I explained the situation concerning U.S.S.R. participation in the North Pacific treaty, and I have nothing to add at this time.

BICULTURALISM AND BILINGUALISM

VISIT TO YUGOSLAVIA BY DELEGATION OF COMMISSION

On the orders of the day:

Mr. Erik Nielsen (Yukon): I have a question for the Acting Prime Minister with regard to a matter I referred to him last week. Has he yet concluded his diplomatic interdepartmental discussion with the Minister of Citizenship and Immigration so as to be in a position to tell the House whether representatives of the Commission on Bilingualism and Biculturalism will be attending the Yugoslav Conference?

Hon. J. R. Nicholson (Minister of Citizenship and Immigration): The convention in Yugoslavia is over. It has been over for several days.

Some hon. Members: Oh, oh.

Mr. Nielsen: This information was provided by the Acting Prime Minister, not by me. Perhaps, so I can understand his remarks, he will tell us whether personnel from the B and B Commission will be attending this meeting in Yugoslavia.

Mr. Nicholson: They cannot be attending it if the convention is over.

Mr. Nielsen: A supplementary question. The Acting Prime Minister gave me the information that representatives of the B and B Commission may be attending in Yugoslavia.

Hon. Paul Martin (Acting Prime Minister): I think I have unwittingly caused the hon. Member to be placed in this difficult position. It is very rarely that I do that sort of thing.

Mr. Nielsen: Would the Minister now answer the question and say whether any personnel of the B and B Commission were in Yugoslavia?

Mr. Nicholson: I can answer that and I hope put an end to the matter. The hon. Member asked me whether they were going to attend. I said they could not attend because the convention is over, but two representatives of the said Commission did attend as alternate delegates.

INCOME TAX ACT

The House resumed, from Friday, June 25 consideration of the motion of Mr. Gordon for the third reading of Bill No. C-118, to amend

the Income Tax Act, and the amendment thereto of Mr. Knowles.

Mr. D. M. Fisher (Port Arthur): Could the Minister of Finance tell us whether he reacts at all to the proposals which were put forward by Mr. Sifton at the very end of last week with regard to the newspaper part of this legislation? I assume there is some distinction to be drawn between those proposals and the earlier ones which were put forward editorially by the newspaper in the hands of this gentleman. I should like to know whether the Minister had considered Mr. Sifton's most recent proposal.

Another question I wish to ask came to my mind on reading Friday's debate. It is this. What studies have the Government made to be sure that effective control of Canadian newspapers can really be maintained by this proposed legislation in the light of experience? It seems obvious to me from the editorial policy of the Fredericton *Gleaner* over the years, for example, and from the interest which Lord Thomson takes in the fact that ownership of his papers may be vested in Thomson of Canada Limited, or with such people as Brigadier Wardell in the case of the Fredericton *Gleaner*, this is not something to which too much importance should be attached. The fact remains that Thomson newspapers have continued to be an expression in many ways of the ideas of Lord Thomson, the British citizen operating in Britain—and I am not being terribly critical of this. I would just like to hear from the Minister how sure he feels that this will be a really effective way of controlling ownership and keeping it in Canadian hands; apart, that is, from the theory attaching to corporations.

In other words I am arguing that Lord Thomson still retains effective control of the Thomson newspaper chain in Canada as Lord Beaverbrook retained effective control of the Fredericton *Gleaner* throughout the years even though legal ownership may have been Canadian. I am not talking now about advertising policy. I am thinking much more about editorial and news policy, and wondering whether the Minister feels the particular legislation proposed will meet this problem.

The other question I wish to ask relates to an argument I put forward here last week concerning the *quid pro quo* or the balance which was achieved by the Minister accepting the nationalization of *Time* and *Reader's Digest* in exchange for the protection of Canadian newspapers. I realize there is no way in which we can dragoon the Minister into telling us whether any kind of swap took

place. What takes place inside the Cabinet and within the party caucus is not for us who are outside to know, although we may guess. But I should like to put a bald question directly to the Minister right now with regard to this *Time* and *Reader's Digest* situation. Is the Minister pleased with what is in effect the nationalization of *Time* and *Reader's Digest*? My hon. friends say "naturalization". I say "nationalization" in the sense of a reference to nationality, not to public ownership.

I hope the Minister will remember this question. It is a very simple one. I should like to know whether he is pleased with the nationalization or naturalization of *Time* and *Reader's Digest*.

• (4:30 p.m.)

The other bit of information I wanted to give the Minister in connection with this matter, or the suggestion I make to him, is that he look at the *Financial Post* for last Thursday, where he will find on the rear page, I think it is, of the first or second part a full length ad taken by *Reader's Digest* setting out the various things it offers the Canadian advertiser. This is a very much itemized account giving all the advantages that advertisers have and the special services that advertisers can get through *Reader's Digest* in terms of specialization in markets, saturation of markets and all the rest.

I would like to ask the Minister how he can read an advertisement like that and not realize that Canadian magazines which do not have the resources of a parent company in the United States cannot possibly match that kind of appeal and that kind of advertising approach. It seems to me it is just impossible. That is one of the reasons I think the Minister might reconsider this particular clause of the Bill and the amendment that is now before the House.

I would assume that since the hon. Member for Red Deer has given notice of his intention to express by his vote how he feels about this whole question of *Time* and *Reader's Digest*, and since spokesmen of other parties in the House on the Opposition side have also given an indication that they support this particular amendment, we are in the position, problematically at least—this has worked out in the past but it may not work out this time—that the Government may be defeated on this particular motion. I am still unclear from what was said by the Parliamentary Secretary and by the Minister on Friday whether they are absolute in their interpretation that a defeat on the amend-

ment put forward by the hon. Member for Winnipeg North Centre is in substance, as far as they are concerned, a defeat of the Government that will lead to the dissolution of this House in the face of this lack of confidence in the Government. I feel that we deserve to hear this very clearly. It is certainly not going to affect my vote or, as far as I know, the votes of my colleagues, and I hope it will not affect the votes of any people in this House; but I think we should be completely clear on this point.

I feel that the recommendation both as it applies to *Time* and *Reader's Digest* and to newspapers is a reasonable one and should be accepted. It seems to me it is the kind of proposition, particularly in view of the feelings and arguments in the country relating to newspaper legislation, that should be considered by the Government. But if the Government is not prepared to consider an amendment like this and we are going to have the opportunity to vote on it, I think we need to know the answer to this question with complete clarity so we can vote, the Government Members can vote—and particularly those Government Members who are substantially critical of this part of the budget—in all honesty and we can have a real decision on this question. Then we can realize that we are voting on something more than a procedural motion and are voting on the life of this Government itself.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I am very concerned about what the Government's attitude is respecting the amendment before the House moved by the hon. Member for Winnipeg North Centre. As a matter of fact, in looking over what took place in the debate here last Friday I am also concerned about the several points of order raised concerning this particular amendment. However, Your Honour has seen fit to accept the motion as being in order; therefore I suppose there is no useful purpose to be served by going back over this matter and challenging or debating whether it is in order. But taking the situation that we have before us now and the amendment which calls for Bill No. C-118 to be referred back to the committee, and then trying to anticipate what the committee will do with it when it gets the bill referred back to it is a real problem, because on two occasions the House has in fact supported this particular provision.

I know there are members of the Opposition in our party, in the New Democratic Party and other parties who are disturbed because this particular clause 4 was included with the budget resolutions and they had no opportunity to vote separately on it. Furthermore, it was established when we were on second reading that a private member is not competent to move an amendment either changing or deleting this provision. Therefore it is somewhat of a puzzle as to what the committee will do with this Bill if we support the amendment moved by the hon. Member for Winnipeg North Centre. It has been pretty well established, I think, by Speakers' rulings over the years, and in fact in the debate on the resolution stage, second reading and Committee of the Whole House that a member of the opposition does not have the right to move an amendment that will upset the balance of Ways and Means. Citation 243 of Beauchesne's fourth edition says:

> All Bills providing for...any expenditure whatever...must be first considered as resolutions in Committee of the Whole.

Then it goes on to say at the bottom of the paragraph:

> The rule also applies to releasing or compounding any sum of money due to the Crown and to the imposition of any state tax—

Therefore it seems to me that even if we support the amendment moved by the hon. Member for Winnipeg North Centre, unless the Minister of Finance is prepared to move an amendment that will achieve what the Member for Winnipeg North Centre wants, then there is no purpose in sending this provision back to the committee. So I think we should have some indication from the Minister of Finance as to whether he is prepared to move an amendment to clause 4 that will do that for which the Member for Winnipeg North Centre is asking. The hon. Member said, as reported at page 2879 of *Hansard* for last Friday:

> What we are concerned about in asking for a reconsideration of clause 4 is that the House be given a chance to say that it wants subclause (2) of clause 4, namely the special exemptions for certain publications, removed from clause 4.

Even if this amendment is supported and we do send Bill No. C-118 back to the committee, the hon. Member for Winnipeg North Centre cannot move that amendment, and I think he acknowledged that fact in the statement he made last Friday before he moved the amendment.

• (4:40 p.m.)

Mr. Knowles: Would the hon. Member permit a question?

Mr. Olson: Certainly.

Mr. Knowles: In asking the question I agree with what the hon. Member has just said, but is it not appropriate for the House to express its opinion as to what the Government ought to do with the bill when we get back into Committee?

Mr. Olson: I am not arguing that point at the moment. I think it is appropriate for members of the Opposition to make representations to the Minister of Finance, to plead with him, or whatever else you call it, to move this kind of amendment to his bill. He could have decided to do this between the resolution stage and second reading of the bill. He could also have moved this kind of motion when clause 4 was before the Committee of the Whole. But he did not do so. He did not do so despite the pleadings of certain members of the Opposition. If he is not going to do so now, then it is a pure waste of time for the House to send this bill back to committee.

Mr. Fisher: Could I just ask a question? Does the hon. Member not think the Minister of Finance and the Government will get some kind of message out of a successful vote on an amendment such as this?

Mr. Olson: There are places in our rule book, although I do not have the citation right before me, which indicate that for any motion to be in order there must be some logical conclusion which can be reached. If we have not been able to convince the Minister of Finance of the validity of this point and that there is something wrong with clause 4, then unless he or some other Minister of the Crown intends to move an amendment to clause 4 in line with what is asked for by the hon. Member for Winnipeg North Centre we are simply wasting the time of the House, in the first instance, and second we are probably attempting to reverse a decision made earlier by the House. That, Mr. Speaker, is also a violation to some extent of the rules of this House.

Mr. Knowles: Oh? Where?

Mr. Olson: Therefore it seems to me that we ought to hear from the Minister of Finance, before we take a vote on this motion, whether he is going to take the kind of action that the hon. Member for Winnipeg North Centre hopes he is going to take. Because if he does not give that indication, Mr. Speaker, we move back into the committee stage and can do nothing. All the clauses have been passed.

[Mr. Knowles.]

Mr. Knowles: Would the hon. Member permit another question. Is the hon. Member saying that if the Minister will not do what we want him to do, therefore we should not ask him to do it?

Mr. Olson: No, Mr. Speaker, I am not saying that at all. The hon. Member for Winnipeg North Centre knows very well that if his amendment is carried, as we are now on third reading we will go back to the committee stage, where he will then sit helpless and unable to take further action.

Mr. Knowles: The Minister will have to take the action.

Mr. Olson: He now admits that the Minister will have to move the motion. Therefore it seems to me that the Minister ought to indicate to the House whether he is prepared to move such a motion. Surely it would not make a great deal of difference if we went through all these motions, because we would then arrive at a point where there was complete stalemate, where no further action could be taken.

Mr. Barnett: Could I ask the hon. Member a question?

Mr. Olson: Well, Mr. Speaker, this seems to be developing into a sort of quiz contest.

Mr. Barnett: I am wondering whether the hon. Member is not concerned that if the Minister did what he is suggesting he would not be exercising undue influence on the vote of Members of the House?

Mr. Olson: I suggest that each Member who rises in his place ought to be attempting to influence other Members; that is not an unusual thing for him to do. The hon. Member for Winnipeg North Centre pointed out in his speech on Friday that he is trying to do indirectly what he cannot do directly.

Mr. Knowles: What is wrong with that?

Mr. Olson: I suggest that it attempts to circumvent the rules which have been laid down in this House over the years.

Another argument which has been advanced a number of times is that the Government should not have brought in this particular measure along with the other measures which were in the budget resolutions and the bill following upon those resolutions. I do not think there is any Member of this House who can find any past year where there has been more than one budget resolution dealing with income tax amendments. Nor could he find more then one bill implementing amendments

to the Income Tax Act which were first introduced during the budget speech.

Mr. Fisher: Could I ask the hon. Member a question? Does he not remember last year when the Government introduced this very matter in a separate resolution in the name of the Prime Minister? Does he not remember that we assumed that this was because the Minister of Finance could not swallow it last year?

Mr. Olson: Perhaps the interpretation of the hon. Member for Port Arthur is a valid one. However, I am now concerned with the positive action that this House ought to be taking. We should now have an indication from the Minister of Finance, as I said before, as to whether he or another Minister of the Crown is prepared to move the kind of motion which will produce the result asked for by the hon. Member for Winnipeg North Centre. If this is not the intention of the Minister of Finance or of any other Minister of the Crown, then sending the bill back to committee is an exercise in futility because nothing can be done. It will then come back for third reading, and will pass.

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, without being skilled in procedure, I wish to point out very briefly that it seems that the motion now before us is degenerating into a battle of procedural experts, and this I am not. However, it is my opinion that the procedure adopted by the Minister of Finance (Mr. Gordon) in linking his proposal to other measures is nothing but a move liable to mix up members of the house by having them pass two things at once, while perhaps they would have liked to pass one and reject the other. I know that some members on the government side have already objected publicly in this house to the favoured treatment shown *Time* and *Reader's Digest*. If these members changed their minds today, which I do not know, it may be that the Minister himself gave additional explanations. He may even, in caucus or elsewhere, have managed to convince the members on the government side; but he has not convinced all the members, at least not some of the opposition, and that is why I believe some of us shall have to vote against the government, that is for the amendment proposed by the New Democratic Party.

If magazines are not able, on their own, to find readers in Canada, it is because they do not have the required qualities. Why then favour them through special legislation, and that to the detriment of Canadian newspapers?

On the other hand, if the publishers of these magazines have further arguments to bring forward, let them do so before the committee. However, as things stand now, we are totally unable to vote in favour of one measure and against another. As the two proposals cannot be separated, we shall support the proposed amendment of the hon. Member for Winnipeg North Centre (Mr. Knowles).

As regards the amendment being out of order, the decision rests with Mr. Speaker. If he so decides, we must submit to his ruling. If he decides that the amendment is in order, we must then vote and possibly indicate to the Minister of Finance that the house wishes him to change his stand. As a matter of fact, I believe that the statements against clause 4 have been so numerous that the Minister should have at least changed his mind or indicated to the house his willingness to re-examine the problem.

On the contrary the minister has always behaved in the house as if he were connected with the owners of those magazines, and even so, but I am not sure, he could always unburden his heart by telling those companies: "I had made a proposal to you, but the house has decided otherwise. Since we are in a democratic country, we must therefore bow to the house's decision."

This is what we are hoping on the part of the minister and even if it were only to express our views concerning this amendment, I think that part of the members of our group will support the amendment of the hon. member for Winnipeg North Centre.

• (4:50 p.m.)

[*English*]

The Acting Speaker (Mr. Batten): Is the House ready for the question?

Mr. Fisher: Mr. Speaker, I wonder whether you would consider asking the House to give the Minister of Finance unanimous permission to answer a few of the questions which have been asked, particularly those in respect of the matter of confidence.

Mr. Diefenbaker: In point of fact, Mr. Speaker, the Minister does not require any leave. This is an amendment, and he would not be closing the debate in the event he spoke.

Mr. Knowles: He spoke on Friday about three minutes.

Mr. Diefenbaker: I am sorry, Mr. Speaker, apparently he has already spoken on the amendment and I was unaware of that fact.

Mr. Knowles: Perhaps he will ask the Leader of the Opposition some questions during his speech.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, certainly the position is a most interesting one. When I listened to the hon. Member for Medicine Hat I was touched by the depth and sincerity of his appeal, as I am sure the Government must have been. Often in the past whenever the Government found itself in difficulty one could be assured that that hon. gentleman would do everything he could to preserve it.

His solicitation over the rules at the moment causes me to wonder whether this is a personal solicitation. He finds himself in a very desperate position, because his Leader spoke on Friday and made very clear the attitude his Party would take. I wish to read a portion of the remarks of the hon. Member for Red Deer, as follows:

> —certainly an issue as important as the matter of foreign publications is one for which the fullest opportunity for debate and discussion should be provided. I can well understand that there are many Members of the Opposition parties and, if the truth were known, many Members on the Government side of the House as well, who are not satisfied with how this matter has been presented in the omnibus bill before us. I would agree with the mover of the amendment that there has not been an opportunity for Members of the House to express their opinions specifically on this issue and I believe it would be a good idea to refer the bill back to the Committee of the Whole House.

You will have noticed, Sir, that he had none of the fears that fill the heart of the hon. Member for Medicine Hat. I must say that in the years I have been here I have never heard a more touching appeal than that uttered by the hon. gentleman. It has not been very effective. The Government and the Minister are adamant. Oh, what hardness of the soul is apparent here on the part of the Government. So often in the past Members of the Government have been moved to compassion as they listened to the hon. Member doing his part to keep the Government out of difficulty. While the Minister cannot speak, there must be others who, with a lifeline like this thrown out by the hon. Member, could speak. Imagine his position; think of the solicitude of the hon. Member for Medicine Hat in his appeal for something to save the Government.

[Mr. Knowles.]

The hon. Member for Medicine Hat has given us an unequalled example of self-swallowing. I have never seen such an example in all the years I have been here. We know there is a position in any circus for a sword swallower, but the hon. Member is swallowing himself in his desire to help the Government. There are going to be vacancies in the Senate shortly, and there exists one now in respect of Alberta. I would hope that the Government, with that vacancy available, will not allow the day to pass without providing at least some recompense for such an attitude which, as I say, was so deeply touching.

The hon. Member's leader expressed a different view, but this is not the first time this has happened. I recall very well the circumstances of February, 1963, when the hon. Member for Red Deer spoke with such eloquence from about 20 minutes to 6 until six o'clock indicating that he was going to support the Government of that day.

Mr. Nielsen: He got indigestion.

Mr. Diefenbaker: Whatever happened between six and eight, suddenly at eight o'clock the logic of the pre-luncheon hour entirely changed. We will never know the reason for that.

Mr. Thompson: Mr. Speaker, on a point of order.

Mr. Diefenbaker: The hon. Member has a point of order.

Mr. Thompson: Mr. Speaker, I suggest that the leader of the official opposition should read the new book which was published today, "Commonsense for Canadians", by McClelland and Stewart, which gives a full and complete answer as to exactly what happened in February, 1963.

Mr. Diefenbaker: Mr. Speaker, if there be any book on common sense for Canadians I am sure the hon. gentleman who has just spoken has never read it, keeping in mind that utter nonsense that was indulged in—duplicity, I call it—in February, 1963.

Apparently we are to have a repeat performance today, or one would imagine so having listened to the hon. Member for Medicine Hat attempt to twist around so he will be able to support the Government to which he has given such undying support throughout the past two years and two months. This is going to be an awful thing for that hon. Member, Mr. Speaker. Just imagine him having to vote with the Opposition, after counting heads

and beginning to wonder what the result will be. He has been doing some counting.

An hon. Member: Where are your Members?

Mr. Diefenbaker: Mr. Speaker, Members opposite apparently have been doing some counting as well, but I prefer the ability of the hon. Member for Medicine Hat to count, because he has some experience. He has done this before.

This afternoon that hon. Member has come along with the argument, which I tried to follow but found very difficult, that we should help the Government. He has asked "Can I not help you? You need help. Will you not follow the course I suggest? Will you tell us what you will do if you do not do that?" I have never heard an argument like that.

• (5:00 p.m.)

However, I am glad to note the solicitude of the hon. gentleman because it will be interesting now for all of us to see him rise in his place and, after that illogical argument, have to support the amendment that is before the House, provided he is consistent and provided he is prepared to follow the leadership of his leader in this most important matter. The speech on Friday by the hon. Member for Red Deer (Mr. Thompson) certainly was an illustration of common sense. I hope that the hon. Members sitting about him will be moved by his argument rather than by the pseudo-argument of the hon. Member for Medicine Hat (Mr. Olson).

Returning to this subject, I must say I was interested in the viewpoint of the hon. Member for Port Arthur (Mr. Fisher). He has advocated freedom today. He spoke in Vancouver a day or so ago and, Mr. Speaker, this is one for the book. I think it ought to be placed on the record because it indicates his idea of freedom. He is afraid of some of those leftists in the ranks of the N.D.P. This is what the newspaper article says:

> Douglas Fisher, national deputy leader of the New Democratic Party, says left-wing members of the party should keep quiet and the party gain power in Canada instead of worrying about what line is to be taken.

I do not know which one of you are going to identify yourself as belonging to this group that ought to keep quiet. Let me read on, because this is a concept of freedom that is scarcely in keeping with the views expressed by the hon. gentleman from time to time:

> The former school teacher, now M.P. from Port Arthur, told a meeting of N.D.P. youth that a lot of party members are "so sure they're saved that they don't realize we've got to save a lot more people if we're going to get to run the country."

Well, salvation is free, if you people sitting around the hon. gentleman will keep your mouths shut. I read on, because I have never read a dissertation on the subject of freedom to equal this. He said:

> "We have to be a lot more broadminded, and much better organized."

Then, he said that his party is socialist by definition.

Mr. Herridge: Socialist without any qualification.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Mr. Speaker, there is a rebel in their midst. It is very fortunate for him he has already given notice he is not going to run next time because he is no longer in good standing. Let me read on:

> —but this did not mean it would nationalize the means of production.

Well, I do not quite understand that. It is socialist, but it would not socialize the means of production. But he warns, Lord help the C.P.R. and The Bell Telephone. This is freedom. All of this appears in the speech of the hon. gentleman. Then, finally, he dealt with the necessity for centralization. Today he is most anxious to have the Minister speak to let the country know what is going to happen if the House dares to support the amendment. Well, so far as we are concerned, we are going to support that amendment. We are going to be consistent with our stand throughout. We are not going to indulge in any Pythagorian philosophy to determine our course. We think this bill is bad. We have taken our stand and we are supported in that stand by the influential press of Canada.

The Montreal *Star* of June 23, which has certainly been a continuing supporter of the Government, says:

> Representatives of *Time* and *Reader's Digest* have spent the past eight years ceaselessly pressuring Canadian MPs and Cabinet Ministers.

I can say so far as I am concerned, that did not take place.

> They have used every kind of persuasion, including the weight of the presidential office, to try and maintain a position which, on the grounds of justice and logic, is untenable.
>
> The Government thought, rightly it turned out, that by coupling a good policy with a bad one it could push the bad policy through Parliament.

Finally the article, after quoting from a reporter's view that action should be taken in this regard ends up that it will have to

be done even if Mr. Luce has, as he is widely reported in Ottawa to have, about 40 United States Senators and at least as many Congressmen in his pocket. Now, I am going to say this in regard to *Reader's Digest*. They have not endeavoured to impose on Canadians their thinking. They have not tried, at any time, to direct or channel the thinking of Canadians. On the other hand, *Time* magazine, and I repeat this, has devoted itself to interpreting the news and rewriting it so as to direct Canadian thinking. It is not a Canadian magazine. It has three or four pages of Canadian news in each issue which makes it a counterfeit issue when it pretends to be Canadian. It uses these four pages to give its viewpoint, which is not the Canadian viewpoint, to Canadians week after week. To what purpose? It is to tell Canadians what they should do, as viewed through the eyes of a periodical that scarcely ever contains a mention of Canada in any of its international news.

This is what has to be guarded against, and that is the reason we accepted, in part, the recommendations of the O'Leary Commission, to the end that Canadians would not finally, as a result of unjust competition, be denied Canadian magazines with a Canadian viewpoint and have to substitute therefor, as a result of competition that cannot be met, the views of those who edit those four pages of *Time* for Canadians.

• (5:10 p.m.)

We have no reason to alter our viewpoint that this thing is wrong. What has the Government done? The Minister dug himself in. He has done more digging of himself into difficulties than any other Minister in history. He wants an election before redistribution. He spoke the other day in Toronto and stated that there would be an election this fall. I thought prime ministers determined that, but in the absence of the Prime Minister the Minister of Finance said there would be an election this fall, before redistribution.

Is that the reason that he dug himself in on this? He laughs, he smiles, but he has revealed that he is the determinant as to when elections take place in Canada. The Prime Minister said he had no idea of an election, but the Minister of Finance says, "Get ready for this fall, because it is going to take place before redistribution." I can understand his feelings in that regard.

Mr. Knowles: That is what the Leader of the Opposition (Mr. Diefenbaker) said at the coast.

[Mr. Diefenbaker.]

Mr. Diefenbaker: On the basis of what had been said opposite.

Mr. Knowles: Which came first, the hen or the egg?

Mr. Diefenbaker: The hon. gentleman has been the water boy for the Government for so long. He always reminds me of the water boy that Claudius used to have walking ahead of him with the water. Every time I see the hon. gentleman rising I think of the water boy of Roman days.

What I said was that everything pointed to an election this fall on the basis of what was being said. This is what is coming from Liberal headquarters. The Prime Minister does not have anything to say about it because the chief organizer announces what is going to take place, and this time he has the assistance of the Minister of Finance. The Minister took a strong, stubborn stand that "we stand or fall on what we place before the House."

In conclusion I quote a couple of paragraphs from the Winnipeg *Free Press* of June 25:

> The Canadian Parliament's first legal interference with the press is being rushed into the statute books as if the Government, ashamed of its policy, were anxious to finish a disagreeable job as soon as possible and forget it.

Finally it ends up:

> The resistance to the advertising tax by almost every important newspaper in the country should have told Mr. Gordon that not only his tax but his whole program of narrow nationalism and state meddling in all aspects of society goes against the grain of Canada's life. Perhaps from the distant, clarifying perspective of London Mr. Pearson began to suspect, very late, that his Minister of Finance and his close friend is also his heaviest political liability.

I think this legislation is bad. I believe it contravenes the Bill of Rights in that it permits an interference with freedom of the press. Freedom of the press comes exclusively within the jurisdiction of the federal Parliament, if my reading of the Social Credit cases in the Supreme Court in 1938 is correct. That being so, why bulldoze through the House legislation that has been condemned out of hand in every part of our nation?

The other day I asked why is this introduced? Who asked for it? What newspaper in Canada has asked for it? The Minister cannot answer that question for no newspaper asked for this kind of action to be taken and every one, with the exception of two, state that it is retrograde and dangerous.

To me it indicates that bureaucratic attitude that eight former members of the civil

service developed while holding those positions. They think they know what is good for Canadians, but as I have watched the faces of Members opposite, not of the Cabinet, I have seen in their faces and I have even heard it rumoured that they have said they cannot understand why this is being pressured. I can only conclude that the Minister of Finance, having suffered so many hurtful wounds in two years and two months as Minister, wants to be able to say, "At last I got something through the House."

The House divided on the amendment (Mr. Knowles) which was negatived on the following division:

• (5:20 p.m.)

YEAS

Messrs:

Aiken	MacRae
Alkenbrack	McBain
Baldwin	McCutcheon
Barnett	Madill
Beaulé	Marcoux
Bigg	Martin (Timmins)
Brewin	Martineau
Cameron (Nanaimo-Cowichan-The Islands)	Mather
	Millar
Cantelon	Monteith
Churchill	Moore
Coates	More
Diefenbaker	Muir (Lisgar)
Dionne	Nasserden
Doucett	Nesbitt
Fairweather	Nielsen
Fisher	Noble
Flemming (Victoria-Carleton)	Nugent
	Ormiston
Forbes	Pascoe
Gauthier	Peters
Grafftey	Plourde
Grégoire	Ricard
Gundlock	Saltsman
Hales	Scott
Harkness	Slogan
Horner (The Battlefords)	Smallwood
Howe (Hamilton South)	Smith
Howe (Wellington-Huron)	Southam
	Starr
Irvine	Stefanson
Jones, Mrs.	Stenson
Jorgenson	Thompson
Kennedy	Vincent
Kindt	Wadds, Mrs.
Knowles	Watson (Assiniboia)
Lambert	Webb
Laprise	Webster
MacEwan	Willoughby
MacInnis	Winch—78.
MacLean (Queens)	

NAYS

Messrs:

Armstrong	Béchard
Asselin (Richmond-Wolfe)	Beer
	Benson
Badanai	Berger
Balcer	Blouin
Batten	Boulanger

Division

Cadieux (Terrebonne)	Lloyd
Cameron (High Park)	Loiselle
Cantin	Macaluso
Cardin	Macdonald
Carter	MacEachen
Cashin	McIlraith
Choquette	McMillan
Chrétien	McWilliam
Côté (Longueuil)	Martin (Essex East)
Crossman	Matheson
Cyr	Matte
Davis	Mitchell
Deachman	Moreau
Drouin	Mullally
Drury	Munro
Dubé	Nicholson
Émard	O'Keefe
Ethier	Olson
Favreau	Otto
Forest	Paul
Foy	Pennell
Francis	Pepin
Gendron	Pickersgill
Godin	Pilon
Gordon	Prud'homme
Gray	Richard
Greene	Rinfret
Habel	Robichaud
Haidasz	Rochon
Harley	Rock
Hays	Rouleau
Hellyer	Roxburgh
Honey	Ryan
Jewett, Miss	Sauvé
Kelly	Sharp
Klein	Stewart
Konantz, Mrs.	Tardif
Lachance	Teillet
Lamontagne	Temple
Lamoureux	Tremblay
Laniel	Tucker
Leblanc	Turner
Leboe	Walker
Leduc	Watson (Châteauguay-Huntingdon-Laprairie)
Legault	
Lessard (St. Henry)	Whelan—102.

• (5:40 p.m.)

Mr. Speaker: I declare the amendment lost.

Mr. Muir (Cape Breton North and Victoria): Mr. Speaker, I was paired with the hon. Member for Grand Falls-White Bay-Labrador (Mr. Granger). Had I voted I would have voted for the amendment.

Mr. Mackasey: Mr. Speaker, I was paired with the hon. Member for Bow River (Mr. Woolliams). Had I voted I would have voted against the amendment.

Mr. Brown: Mr. Speaker, I was paired. Had I voted I would have voted against the amendment.

Mr. Chatterton: Mr. Speaker, I was paired; otherwise I would have voted for the amendment.

Mr. Speaker: Is the House ready for the question on the main motion?

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Mr. Lambert: On division.

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

SUPPLY

The House in Committee of Supply, Mr. Lamoureux in the Chair.

INTERIM SUPPLY

Mr. Gordon moved:

Resolved, that a sum not exceeding $1,651,292,282.42, being the aggregate of:

(a) four twelfths of the total of all the items set forth in the main estimates for the fiscal year ending March 31, 1966, laid before the House of Commons at the present session of Parliament, except external affairs item 15, mines and technical surveys item 70; and external affairs item 20 for which the proportioan is three twelfths, $1,456,-413,323;

(b) an additional four twelfths of the amounts of agriculture items 25 and 45, legislation item 15, and loans, investments and advances item L30 (Schedule A) of the said main estimates, $4,664,625;

(c) an additional two twelfths of the amount of northern affairs and national resources item 15, (Schedule B) of the said main estimates, $2,258,500;

(d) an additional one twelfth of the amounts of agriculture items 5 and 60, fisheries item 10, mines and technical surveys items 10, 15, 25, 45 and 60, national film board item 1, northern affairs and national resources item 45, (Schedule C) of the said main estimates, $9,566,025;

(e) seven twelfths of all the items set forth in the supplementary estimates (b) laid before the House of Commons at the present session of Parliament, $162,394,142.75;

(f) an additional four twelfths of the amounts of agriculture items 17b, 25b and 35b, mines and technical surveys item 70b, and loans, investments and advances item L78b, (Schedule D) of the said supplementary estimates, $7,245,666.67;

(g) an additional three twelfths of the amount of finance item 15b, (Schedule E) of the said supplementary estimates, $8,750,000,

be granted to Her Majesty on account of the fiscal year ending March 31, 1966.

● (5:50 p.m.)

He said: Mr. Chairman, this resolution covers the items which you have just read. It will have been noted by Members of the committee that there was no reference to the amounts covered in Supplementary Estimates (C) that were tabled earlier today. They will have to be dealt with separately.

I should also point out that the resolution covers additional borrowing authority for $750 million for authorized payments out of the Consolidated Revenue Fund through the issue of treasury bills, Canada Savings Bonds, marketable securities and so on.

[Mr. Speaker.]

The portions requested in this bill are intended to provide for all necessary requirements of the public service up to October 31, 1965, apart from the amounts covered by Supplementary Estimates (C).

In no instance is the total amount of an item being released by this bill. The form of the bill is the usual one for interim supply.

The passing of this bill will not prejudice the rights and privileges of Members to criticize or discuss any item in the estimates when they come up for consideration in Committee of Supply, and the usual undertaking is hereby given that such rights and privileges will be respected and will not be curtailed or restricted in any way as a result of the passing of this measure.

Mr. Chairman, when we are in the committee stage of our proceedings, I will be glad to answer in detail any questions hon. Members may wish to ask in respect of these items.

Mr. Lambert: Mr. Chairman, the Minister is asking the House to grant supply for four months, to the end of October, yet we have had no indication of the usual type, from the ministry. There are a number of matters in view of the fact that we are being asked to grant interim supply for four months, which I certainly feel should be drawn to the attention of the Government before we even begin our consideration of this request.

First of all I should like to deal with a matter that comes under the purview of the Department of Citizenship and Immigration. Perhaps some explanation can be given as to why certain steps were taken, and why it took so long to take them. I hope the Minister will be in a position to reply.

During the last session I placed question No. 3,016 on the order paper, addressed to the Minister of Citizenship and Immigration, concerning one Aniello De Luca of Montreal. The Minister replied through his Parliamentary Secretary on March 31, 1965. If hon. Members will consult page 12993 of *Hansard* for March 31, 1965, they will see in detail both the question and the answer. The answer indicates that this individual was taken into custody under the authority of a warrant for arrest issued under section 15(1) of the Immigration Act, signed by the Director of Special Services of the Immigration Branch on March 17, 1965 on the basis of a report received pursuant to section 19(1)(e)(ii) and (iii) of the Immigration Act, which stated that Mr. De Luca had been convicted of an offence under the Criminal Code and had be-

come an inmate of a jail. The report also indicated that bail had been refused. I understand also that this man was being detained under a charge laid under the Immigration Act and under charges under the Juvenile Delinquents Act.

Subsequently I made a further inquiry of the Minister as to what had happened to De Luca, by way of question No. 711 which appeared in Votes and Proceedings of June 10, 1965. I should like to read this question and answer in detail. The question is:

1. What was the conclusion of the inquiry under the Immigration Act referred to in the answer to Question No. 3,016 under date of March 31, 1965, concerning one Aniello De Luca, of Montreal?
2. Is Aniello De Luca still under detention and, if so, where and under what circumstances and, if not, when was he released?
3. What was the outcome of the proceedings under the Juvenile Delinquents Act as referred to in the answer to Question No. 3,016 above?
4. What further steps, if any, are under consideration with regard to this man and his future stay in Canada?

And the reply is as follows:

1. The inquiry under the Immigration Act revealed that Aniello De Luca had acquired Canadian domicile and was therefore not subject to deportation proceedings under the Immigration Act at that time.
2. No. He was released from detention on April 12, 1965.
3. According to information received by the Department of Citizenship and Immigration, Mr. De Luca was not convicted of one charge under the Juvenile Delinquents Act and two other charges were withdrawn.
4. None.

Mr. Chairman, may I call it six o'clock.

The Chairman: It being six o'clock it is my duty to leave the Chair so that the House may proceed to the consideration of private Members' business.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED UNDER ADJOURNMENT MOTION

Mr. Deputy Speaker: Order. It is my duty, pursuant to Provisional Standing Order 39A, to inform the House that the questions to be raised at ten o'clock p.m. this day are as follows: The hon. Member for Skeena (Mr. Howard)—John Darrell Peters—alleged unfairness in sentence; the hon. Member for Pontiac-Témiscamingue (Mr. Martineau)—proposed conference on drought conditions in Ottawa Valley; the hon. Member for Victoria, B.C. (Mr. Groos)—Veterans affairs—request for cancellation of World War I overseas requirement.

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.)

EXPROPRIATION ACT

SUGGESTED PROTECTION AGAINST INTERFERENCE WITH PROPERTY RIGHTS

Mr. R. N. Thompson (Red Deer) moved:

That, in the opinion of this House, the government should give consideration to amending the provisions of the Expropriation Act (R.S.C. 1952, c. 106) with a view to giving greater protection to citizens against arbitrary interference with their property rights by departments of the federal government, and to the establishment of more suitable procedures for the transfer of title and possession of land expropriated under the authority of this Act.

He said: Mr. Speaker, the purpose of this motion is to suggest to the House that it is urgent that consideration be given to amending the Act respecting the expropriation of lands. This year the free world celebrates the 750th anniversary of the signing of Magna Carta and the 700th anniversary of parliamentary government. Both of these historic occasions are reminders that freedom is indivisible, the freedom of one group must ultimately become the freedom of all. Recently the Archbishop of Canterbury said that Magna Carta was the act of one group, one order of the realm, asserting its own right; it was a cold, businesslike document, agreeing that certain political abuses must cease. I am convinced that the lesson of Magna Carta is as relevant today as it was in 1215 or at any time since.

The history of Parliament is the record of the resistance of the representatives of the people to the usurpation of powers by the Crown. I believe it would be foolish indeed to believe that, because we have a constitutional parliamentary government, we as the representatives of the people are not faced with the duty of keeping the powers of the Crown under control. In this spirit it has been brought forcibly to my attention to take a close look at the remarkable powers the Crown is at present given by statutes, in so far as the laws of expropriation are concerned.

It might be reasonable, Mr. Speaker, that in time of war and imminent danger to this country, the Federal Government should have such powers; but today such powers belong in

the War Measures Act, and not in any peacetime legislation. We already have far too much punitive federal law on our statute books. I am thinking particularly here of some of the provisions of the Income Tax Act and the Excise Tax Act, which may be justifiable during the time of national emergency but which are an open threat to the liberty and property of the citizen, now that war has been over for nearly 20 years. I say to you, Mr. Speaker, that the laws of this land, as they concern expropriation of private property were designed for a time of emergency, and certainly not for a time of peace such as we are living in at the moment.

As I interpret the Expropriation Act parliament has given officers of the civil service, down to the junior level, the right to deprive a citizen of the land which he owns merely by filing a plan in the registry office, leaving the citizen with nothing but the right to go to court to receive just payment for his land. There is no need to follow the usual provincial laws for the transfer of title. There is no need for a public hearing to ascertain whether or not any particular parcel of land is needed for public purposes. Powers like these contained in the Act relating to the expropriation of lands belong in a War Measures Act and certainly not in peacetime legislation.

Here in Ottawa many a home owner has awakened in the morning to read in the newspaper that his home has been included in expropriation plans of the day or the week before. I think, Mr. Speaker, that such should not be the case. I have in my files a number of letters and a number of briefs and submissions that have been made concerning the powers of expropriation which have been passed on by federal law to the National Capital Commission. Many of the citizens of this city feel there has been a flagrant abuse of the powers of expropriation. I should like to refer to the brief submitted to the National Capital Commission by the residents of the Rothwell Heights section, in the eastern section of the city. We read this:

> We can understand that the Government should allow homes to be seized for a road, bridge, a school or some other essential purpose. We are totally unable to understand that the Government should allow homes to be wantonly destroyed to provide landscaped grounds for a suburban driveway.
>
> Under present legislation, no citizen of Ottawa has firm title to his own land. Any day he may read in the newspaper, as we did, that following a secret decision of all-powerful officials, his home has been seized for some trivial reason without right of appeal.

[Mr. Thompson.]

I could go on to cite any number of cases which justify my contention that this Act should be rewritten. I do not have the time at my disposal this afternoon to give too many further illustrations that the powers of expropriation that are presently in the hands of the National Capital Commission are too broad. I could refer to the Silver Springs Farm, just west of town. From the records of the expropriation of this property, I do not see how anyone can believe that the rights of property ownership, which are basic in a democracy, are properly respected. These cases cover not only such property as Rothwell Heights and Silver Springs Farm but include any number of other properties here in the city.

Amongst the letters that have come to me in protest of these actions is one written by Mrs. Pilon, a woman in this city who does not have the power in her own hands to look after her rights. She says in a letter that she would like to tell me of her experience with the Federal District Commission, and I quote:

> I know it is too late now for me to get any help but my experience might benefit someone else who is under expropriation.
>
> A little over ten years ago my property which was approximately four acres was expropriated by the then F.D.C. It was situated on lot 27 Hare Avenue where the Putman Public School is now situated.

Then she goes on to tell of the ridiculously low price which was offered to her for the property; how she turned it down. Later, they offered her $7,500, and then they came back in further bargaining to offer $8,700. Finally, under protest at the continual pressure she was under she had to sell the property at an extremely low price without any attempt on the part of the National Capital Commission to protect her right to the property.

This goes much further than the National Capital Commission here, in Ottawa. The files of the courts, and I am sure many of the files of the departments, are filled with examples of how the Government, in peacetime and without warning, without having to say that this property was necessary for expropriation without returning to the rightful owner land that was expropriated once its use was no longer required, has expropriated lands. One particularly important case is the case of August Fontanna, a man living in Virden, Manitoba, who had his land expropriated for use as a federal airport during the war emergency.

• (6:10 p.m.)

Later, when the war was over and this airport was no longer necessary, this land was supposed to have been turned back to the owner from whom it was expropriated. Instead, oil was discovered on the property and the federal Government, ignoring its responsibilities to the individual concerned, refused to return the property and thus deprived this man of what would have been his private rights. As a result, a very heavy protest was built up, and an appeal was even made to the Exchequer Court, but nothing was done because nothing could be done under present expropriation laws. That is why it is high time, in my opinion, the Government took some action to correct this deplorable situation.

I am reminded of a statement made by Mr. Justice J. T. Thorson, former President of the Exchequer Court of Canada, who stated that Canada's expropriation laws are the most arbitrary in the whole civilized world. This statement was made by Mr. Justice Thorson in case No. 143946, 1959, between Ethel Grayson and Her Majesty the Queen, before the Exchequer Court. Mr. Justice Thorson stated:

> Under these provisions a man's land can be lawfully taken from him without his consent, and even without his knowledge or any notice to him, merely by the deposit of record in the proper land titles or land registry office of a duly signed plan and description of the land. This may be done whenever the Minister of the Department charged with the construction and maintenance of the public work for which the land is to be taken deems it advisable to do so. On such deposit the expropriation of the land is complete without any further act by anyone. Whatever right, title or interest the former owner, or any other person, had in or to the land is immediately extinguished and the land is automatically vested in Her Majesty the Queen free and clear of any claims to or encumbrances upon it. All that is left to the former owner of the land, or a person having had a claim to or an encumbrance upon it, is a claim to compensation, which by section 23 of the act is made to stand in the stead of the land. And I might add here that the settlement of claims to compensation is frequently unconscionably delayed.
>
> I have frequently called attention to these provisions of the law and stated that Canada has the most arbitrary system of expropriation of land in the whole of the civilized world. I am not aware of any other country in the civilized world that exercises its right of eminent domain in the arbitrary manner that Canada does. And unfortunately, the example set by Canada has infected several of the Canadian provinces in which a similar system of expropriation has been adopted.

Time does not permit me this evening to go into further detail to elaborate many of the points that justify such a statement as Mr. Justice Thorson made in 1959, but I might just briefly summarize some of the points that are important. First of all, under present expropriation laws a person's property can be taken from him without his leave or even without notice to him. Second, from the moment that a plan or description of a property is filed, the Crown becomes the owner of that land, and from that moment on all the rights of the owner are completely extinguished. Third, an owner whose property has been expropriated by the Crown may be left dangling for years before he actually gets his money.

Should a customer buy a pound of sugar off the shelf in a store he has to pay cash for it before he can carry it home. Therefore why should the Crown be considered any different, particularly if we value the rights of property ownership which, to me, are one of the prerequisites of a strong democracy?

In a nation which has placed the legislative fields of property and civil rights within the jurisdiction of the provincial legislatures, the powers granted by this act seem to border on the unconstitutional, and on this point alone the Government has a responsibility to see that the expropriation laws are repealed.

Government expropriation of private property is an unfortunate necessity—I am quite willing to admit—in the planned development of our cities and towns; but the rules which govern expropriation should require that the needs of the property owner be weighed against the needs of the state. Not only must there be the assurance of fair compensation, and adequate forewarning to property owners that their land is to be expropriated, but public hearings must be held before a judge to determine whether the action is necessary and is in the public interest.

Justice demands that no citizen should be deprived of his property without such hearing. Expropriation powers which permit the filing of a plan to take away the ownership of a man's land when his certificate of title tells him he is still the owner, are the reason I have placed this resolution before the House urging that the Government amend the Expropriation Act.

In this notice of motion I am not suggesting specific legislation because really I am not qualified to do so. There are, however, several ways in which I believe the federal Act could be improved, and there are several less important ones which I shall outline briefly.

First of all I believe it would be very easy and proper to provide that before any land is taken for a public purpose by expropria-

tion, except in time of war, a public hearing should be held before a judge so that everyone can be satisfied that it is in the public interest for the land to be taken. No citizen, I believe, should ever be deprived of his property without at least having the privilege of his "day in court".

Likewise the exact method of expropriation should be spelled out in the act, such as the number of days notice to be given, with a safeguard that land would not be expropriated unnecessarily or by mistake, as has been done in past years.

I would suggest a clause be inserted elsewhere in the statutes of Canada guaranteeing a Canadian citizen the right to own property, and that this should be specifically quoted in the expropriation laws. We need that assurance.

I have looked over other sections of the Act which are important also. I believe far more trouble should be taken to assimilate federal expropriation procedure with the normal land title procedures of the respective provincial governments. Much confusion results from the fact that the filing of a plan can deprive a man of ownership of his land.

I notice that in section 7 of the Act there is no provision requiring the Government to expropriate the areas taken up by survey markers and national monuments that might be on or adjacent to such land, and such a provision should be inserted.

All one has to do is to ride around this city and the green belt area to see how many of these survey markers and monuments are left out of expropriated land, and which are now being defaced and destroyed. This is something that is not in the best interests of the public.

Another point which shows the complete inadequacy and foolishness of the act is concerned with section 16. This section deals with "any tenant in tail or for life, seigneur, guardian, tutor"—and a number of other people like lunatics, idiots, and married women—and I submit that the expression "married women" must be removed from that section. In a civilized society like we have in Canada we must assume married women are sane unless, like other human beings, they are declared otherwise.

• (6:20 p.m.)

Section 22 deals with warrants for possession, and this section should include a paragraph which would outline all ethical, humane and honest legal steps that should be taken before force is used. In my home community I have a neighbour, a man born on a certain area of land. It belonged to his father before him. It had been passed on by his father to this man, his brother and mother. The land was required by the Department of National Defence and it was expropriated by the method I have outlined. It was taken from him, even though the title in Edmonton said he owned the land. The Government built communications towers on the land. I was astonished when, in January, 1964, I was called—

Mr. Deputy Speaker: The time alloted to the hon. Member has expired, and unless there is unanimous consent—

Some hon. Members: Agreed.

Mr. Thompson: Thank you, I shall be brief. I thank all Members of the House. Anyway, I was called because this man needed help. When I reached this parcel of land I found that the Canadian Army had moved in. A whole truckload of soldiers were running across the fields in snow up to their waists, trying to catch the hogs, chickens and cattle which they were about to remove forcibly from the land, because this man had refused to submit to the expropriation order which, in this particular case, had come directly from Ottawa. I never dreamt that such a situation could arise in Canada. There are many complications attached to this case but I mention it as an example of the way in which a government or a department can use the tremendous power provided by the present legislation respecting expropriation.

I will close with a quotation from the *Globe and Mail* of June 14, 1965. The heading of this editorial is "Expropriation and injustice go hand in glove".

> Government expropriation of private property is an unfortunate necessity in the planned development of municipalities, metropolitan areas and provincial districts. But the rules which govern expropriation should require that the needs of the property owner be weighed against the needs of the state. They should assure the property owner meticulously fair compensation and every assistance in making a convenient move. Government planners should tell property owners when their land is to be expropriated and they should tell them as soon as a decision is made. If an unconscionable time is to elapse between decision on expropriation and the actual takeover of the land, the owner should be repaid the losses he might suffer if the district stagnates while his property is in limbo. If he wishes to move at once the expropriating body should be required to accommodate him.

I think this article sums up most adequately what I have said. I believe it is not

good enough to expect a property owner, a man who may often not have much of this world's goods, to take up his case in the Exchequer Court, the only court of appeal open to him at this time. I know of only one case in Ottawa, despite the volume of N.C.C. proceedings, where this has been done, and in this case, having committed himself to costs of $28,000, the appellant had to withdraw.

This is not the kind of security that owners of property in this country should receive. I wish the Government, in its zeal to make Canada a better country to live in, would take up this matter and bring in the necessary amendments to give us a proper expropriation authority, and I hope this can be done before the present session concludes.

Mr. J. T. Richard (Ottawa East): I wish to congratulate the hon. Member for Red Deer (Mr. Thompson) upon bringing this matter before the House. Those who have been around this chamber as long as I have—and I do not see any at the present time—will recall that this particular grievance has been mine since 1947 or 1948. I continued year after year, to call on the government of the day to give us a new Expropriation Act which would deal more fairly with the rights of citizens.

Perhaps I may be allowed to refer to a few previous speeches so that Members may know that on many occasions I have objected to the present method of expropriation. For example, in 1955 as recorded in *Hansard* at page 6910, I urged the Government to consider doing something about the method of acquiring land used by the Federal District Commission—it was the Federal District Commission in those days. At that time I said:

> The use of the Expropriation Act in its present form is really not called for. I have always contended that the Expropriation Act was not meant to be used to acquire land of this type or under the circumstances in which the Federal District Commission is acquiring land at the present time. I realize it is a long time since I went to law school but I have always looked upon the Expropriation Act as being a violation of civil rights. I submit that it should be used sparingly by the Crown only in cases of great public interest, such as the acquisition of land for post offices, wharves, national defence buildings and so on. It should not be used too readily. If it is to be used as in the present case all advantages should devolve upon the party whose property is being expropriated. On behalf of those hundreds of people whose properties have been expropriated in the district here and who are voicing discontent over this procedure, may I say that I hope the government will see that this parliamentary committee to be set up next session will make a complete study of the use of the Expropriation Act in acquiring land.
>
> The time that elapses in the settlement of these cases is far too long.

It may surprise hon. Members to know that in some cases it takes as long as five years to reach a settlement.

In the following year, 1956, I said:

> I shall only repeat what I have said on previous occasions, that I consider that the Expropriation Act, being an impingement upon the civil rights of a citizen, should be used lightly, sparingly but generously. Many of our people are not very happy. Hundreds of homes in this area have been expropriated by the Federal District Commission. There was no question of going to court. A private citizen cannot go to court against the government when an amount of $10,000 or $12,000 is involved, though big corporations or religious institutions can afford to do so because the amount involved is substantial. I have had very many complaints.

This is only to show that on many occasions in the past I was impelled to urge the government and the House to do something about the Expropriation Act. My sentiments go deeper. They are like those of the hon. Member for Red Deer, because I am one who is greatly in favour of the rights of private citizens, and particularly of the right to hold private property. I take special objection to that section of the Act which defines public work as being any work which the Minister decides is so. This is a relic of feudal days. There is no court or other body which has the power to decide whether or not the Minister has used his discretionary power correctly. As I said to my hon. friend from Carleton (Mr. Francis) a while ago, if the Minister were to decide that my chimney was a public work, it would be a public work and that is the end of it. All he has to do is to file a plan, serve notice, and the property belongs to the Government.

• (6:30 p.m.)

Therefore I feel, Mr. Speaker, that the first section which should be amended in the Expropriation Act is that which defines under what circumstances the property of a citizen of Canada may be expropriated. I believe that this section should be clearly defined. The Crown, in the year 1965 in any event, should not have the right to decide that it can expropriate anything at the whim of a Minister who has been advised by an official of a department of government.

Furthermore, when dealing with real property one must keep in mind that real property is a civil right which really is under the jurisdiction of the province. My contention

has been for all these years that in expropriating property for works which were not exactly or really for the use of the Crown in the right of Canada, the Government was impinging upon provincial rights. There are many circumstances, I claim, where if the Crown wants to expropriate property it should do so through the agency of the province or of the municipality.

There are now some cases, which I will not mention, before the Exchequer Court which deal with that particular angle. I feel, as I have always felt, that the right to expropriate by the Crown in the right of Canada should be limited to those public works which properly can be defined as works of the Dominion of Canada. I do not need to recall that some years ago this very argument was raised by a former Premier of Quebec, Mr. Maurice Duplessis, and I never heard that this contention was denied. There is, therefore, an area to be cleared up in the Expropriation Act, namely the definition of what is a public work.

I want it understood at this time, Mr. Speaker, that when I am speaking about the Expropriation Act I am not trying to attack the methods of expropriation taken by the N.C.C. or the Federal District Commission. After all, those bodies only carried on their duties with the assistance of an Act which was antiquated, and was the only means which the Government put at their disposal. Therefore, Mr. Speaker, I do not want it to be taken that they could have done otherwise. They had to use the Expropriation Act as it stood. I blame successive governments for not having done anything about amending the Expropriation Act. Of course, there are real grievances with regard to the Expropriation Act besides the definition of what is a public work. There is the question of the method of settlement, the tender of an offer, the interest to be paid until settlement, and also the distribution of court costs.

Only a few years ago a former Minister of Justice, Hon. Donald Fleming, brought before the House an Act respecting the expropriation of land. That Act received first reading on October 3, 1962. There are very good suggested amendments to the present Expropriation Act contained in that bill. Certainly they should be incorporated in any bill which is to be brought before this House for consideration. Furthermore, I think the Government should take cognizance of the work done by the Ontario Commission which sat for about two years investigating the methods of expropriation of land in Ontario. I do not know what has been done about this study. I hope the Government at the next session in the fall, or next year, will have produced a bill to be presented to this House which will incorporate some of the suggestions which have been made by the hon. Member for Red Deer (Mr. Thompson) and myself; but I would hope that at the same time such a bill would be sent to a committee for examination and discussion. Mr. Speaker, I want to give the opportunity to some other hon. Members to speak on this matter. I hope once again that this is the last time we will have to appeal to any government to produce a new Expropriation Act.

[Mr. Richard.]

Mr. Lloyd Francis (Carleton): Mr. Speaker, like the hon. Member for Ottawa East (Mr. Richard) I wish to congratulate the mover of this motion, which represents a principle that has concerned Members on all sides of this House. Looking back on the record I note that on October 3, 1962, the Minister of Justice at that time, Hon. Donald Fleming, introduced a bill which was then given the number C-50. It was described in his words as a "comprehensive measure relating to government expropriation. It will replace the present Expropriation Act. It is more than a mere codification or consolidation; it will introduce new provisions as well". That bill received first reading in this House, but unfortunately did not receive second or third readings; it did not become enacted into law.

The hon. Member for Essex East, now the Secretary of State for External Affairs (Mr. Martin), also in 1962 introduced a private Member's bill dealing with this subject. I think it is quite clear that interest in the rectification of the present legislation extends to many quarters of this House, and indeed the views which have been so clearly and so well expounded by the mover of this motion are shared by many hon. Members.

The problem is not only one, as my colleague from Ottawa East pointed out, of the Federal Government; it is a problem which faces the provincial authorities and the municipal authorities. It is a power which is frequently given to many public bodies by their charter. I noted from the press, for example, and was a little shocked by this, the charges raised against my alma mater, the University of Toronto, in connection with an expropriation proceeding, where it was alleged that there was a conflict of interest in taking certain lands which were occupied, in contrast to certain lands which were unoccupied.

I do not quite know what the facts are, but when a question is raised it is quite clear that there is the possibility of injustice, and measures which would set out appropriate appeal procedures in connection with the decision, in the first instance, as to whether the property should or should not be taken should be spelled out in legislation.

In the particular constituency I have the honour to represent in this House a very large portion of the lands have been subject to expropriation procedures for green belt purposes. I am not quite sure what the order is, but it is of the order of 15 per cent of the entire land surplus of the riding I represent. It is a fairly substantial amount, and in dollar terms it is even more substantial. There have been many problems in this connection. I listened with a great deal of interest to some of the case histories which have been read into the record by the hon. Member for Red Deer (Mr. Thompson). The first name he mentioned is the name of a widow well known to myself. I was an alderman of the city council at the time of the events to which reference was made. I just want to say, Mr. Speaker, that in my own history of dealings with the National Capital Commission I think there is an effort to be fair. There is the procedure of a land committee. The land committee is a matter of public record. Any annual report of the National Capital Commission can be presented. They review every purchase, and have a procedure through which they use outside evaluators. These outside evaluators make records. The individual concerned can, if he wishes, hire an independent evaluator-appraiser and the results can be put together.

• (6:40 p.m.)

In tendering for land, in the 1962 period there was a serious problem in Ottawa resulting from the rapid inflation of land prices. In the early 50's prices of the order of $1,200 per acre were a well substantiated figure in the area in which expropriation took place. Land prices rose very rapidly during this period and it was very difficult to be fair to the public and the individuals concerned. All I can say is that in my own experience the National Capital Commission has attempted, especially where a widow of modest means is involved in a situation like this, to be more than fair in dealing with such situation. Perfect justice is not meted out in this world in our courts or by the National Capital Commission or other bodies, but on balance I have had very few instances where the difficulties have been such that I would be tempted to condemn public expropriation proceedings.

However, there have been some cases. The type of problem which I think should be given a good deal more attention than it presently receives in the development of expropriation policies under the green belt is that which involves a number of small businesses. I think in particular of the motel type of operation. A motel operation in the late 1950's could frequently be carried on the basis of cabins with a fairly small number of units and with a small dining room. This was a successful enterprise at that time. There are instances where expropriation has taken lands adjacent to and surrounding such a motel. This puts the motel in a situation where it cannot expand and the owner lives under a cloud of uncertainty as to whether or not he will be permitted to continue. There is no incentive to modernize and keep up with the times.

Frequently a small owner caught in this type of situation suffers a great deal. There are at least two or three instances of this nature which have been brought to my attention where I think there is the possibility that an injustice is being done. I say a possibility; I am not making any allegations in clear terms because the rights and wrongs and the full adding up of all the equities involved is a complicated business. But I think we should consider a procedure somewhat similar to that adopted in tax appeal cases.

I think that the legislation which was introduced in 1962 had a very desirable feature. It spelled out an interest rate of 5 per cent and then went on to provide that a tender must be made at the time of expropriation, interest running until the tender is submitted at double the rate. Therefore until the tender for the property was made interest would be payable at 10 per cent, which was a very strong incentive to the Crown agency involved to make a prompt tender in specific terms—which is surely the starting point for the rights of the party whose land has been expropriated. Another desirable feature which was very important was what I had in mind suggesting something like an income tax appeal board to which recourse by way of appeal could be had promptly and inexpensively. The problem in such cases is the expense involved. The party concerned may have substantial equities, but the equities are not in the form of liquid assets; they are in the form of property. A fairly valuable piece of property is involved amounting to a sizeable sum of money, but the owner of the property

does not have cash in the bank to hire the solicitors, the outside experts and the large number of technically trained persons necessary in this day and age to carry a fight on up to the Exchequer Court of Canada; and this imposes a strain on the resources of the party concerned which may constitute, in some instances, a denial of justice.

Surely a procedure should be evolved by which the cost could be more readily assumed, if we are to use courts as the test of these matters by the Crown. In this way the Crown could then say to the parties that this was the procedure by which their rights would be determined and the cost of such procedure would not be a deterrent to them in the exercise of this remedy. I think the procedure involved in income tax appeals is an eminently sound one. The costs are there, it is true, but the kind of decision which is made is usually a clear decision on the merits and it is arrived at reasonably promptly. This procedure has been evolved to deal with even more complex situations than are involved in expropriation of properties, and on the whole I think it has worked fairly successfully.

I should like to think that we could develop this principle in our legislation, spelling it out in more detail, such legislation, I would hope, being introduced by a Member representing the Government party in this House at some later date. I know that evidence of concern about property is clearly on the record, just as the concern expressed by my colleague from Ottawa East (Mr. Richard) a few minutes ago, a concern extending over some time, is one genuinely and sincerely held by him. It is also shared by many hon. Members on this side, including Members of the Government. But the development of legislation is not a simple matter. We on this side of the House have attempted to do many things in a relatively short period. This is one of the items, Mr. Speaker, on which I hope there will be further action at a later period.

Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice): Mr. Speaker, we have heard a number of observations respecting the procedures followed under the Expropriation Act by the federal Government, and in particular there has been a reference to the fact that a bill to amend the Expropriation Act, in effect to repeal the existing statute and replace it with new provisions, was introduced in this House in October, 1962. That bill was the product of considerable study by officials of the Department of Justice, and while it was introduced by the Minister of that day it was not called forth for further discussion by the Government of that day after its introduction.

Subsequent to the introduction of the bill the Department has received some comment on the terms of the proposed changes in the law. These have been and are being taken into consideration. Also since the introduction of the bill there have been a number of significant court decisions bearing on the existing law, and one decision in particular in the Supreme Court of Canada which has involved to a degree a new departure in the existing law, which has given law officers of the Crown reason to re-examine the bill introduced at that time to see whether through amendment the bill might be brought more into conformity with the law.

The hon. Member for Red Deer (Mr. Thompson) posed the proposition that essentially expropriation legislation should be emergency legislation only. I am afraid that I will have to disagree with that statement. I think on reflection that the hon. Member would agree that there are circumstances, even in peacetime, when governments, be they federal, provincial or municipal, must take land. On the other hand, I think it is agreed everywhere that governments must act reasonably and fairly and without any evidence of arbitrariness in the taking of land.

Mr. Thompson: Could I ask the Parliamentary Secretary a question. I may not have heard him clearly, but did he say my proposal was that this should be emergency legislation only? Is that what the hon. Member said?

Mr. Macdonald: Yes. I noted down the observation of the hon. Member that the laws of expropriation are designed for emergencies, not for peacetime. I understood the hon. gentleman to go on to say that he did not feel expropriation was appropriate action for the Government to take in time of peace.

Mr. Thompson: I must correct the hon. Member, Mr. Speaker, because I did not say that at all. I said that we must have a law geared to peacetime needs and any emergency could fall under the terms of the War Measures Act or some such appropriate legislation. I am sure the hon. Member has misunderstood me and if he examines *Hansard* he will see what I said.

• (6:50 p.m.)

Mr. Macdonald: Mr. Speaker, I did not want to misconstrue what the hon. Member said; if I did misunderstand him let me hasten to correct it. However, I think the correction made by the hon. Member illustrates the proposition: that all hon. Members will agree on the absolutes of this problem. On the one hand there is the necessity for governments from time to time having to take, pursuant to the power of eminent domain, the use and occupation of land; and on the other hand, under the obligation of democratic governments, to act reasonably and fairly with regard to those citizens who may be adversely affected by such action.

The problem is really that of finding the appropriate procedure of administrative action to be taken in between. To some hon. Members who are familiar with some of the great issues in administrative law in past years, the famous English case of Crichel Down will be recalled, in which I believe the Minister of Agriculture had taken a certain portion of the farm for wartime purposes and had adamantly refused to reconvey it to the owner, even though the Crown no longer required it.

Essentially there are two problems here which hon. Members have touched upon but which, however, are distinct. First, several Members have touched upon the question of the reasonableness of a decision taken by an expropriating authority in taking the land itself. The policy of taking land must in essence have been decided by the Government itself, when it decided to carry forward a general plan of action. Presumably hon. Members will agree that this should be worked out by the Government itself as an incident of the general proposals which it is proposing to carry out. This question relates to the extent that the policy should be carried out, and whether or not two acres is enough or whether it should be five or seven; or whether the road, if it is to be a road, should be run through here or there, and to the question as to the extent that members of the public should be able to intervene and, by administrative action, try to show that the Government decision is unreasonable. That was the situation in the Crichel Down case and involves perhaps one of the most difficult questions in administrative law.

The bill introduced in this House in 1962 did not deal with that particular area of the question. It assumed the discretion on the part of any Minister of the Crown, acting in his proper sphere, to take land. The bill dealt with the second problem, namely the procedures and manner of the action to be followed when land is actually to be taken over, and it is in this connection that I think we can identify several objections which have been made by Members on various sides of the House as to the procedure which now exists in the law.

If I may, I perhaps can place them in this order. The requirement of notice; not only the putting of notice on the land title register, but also the requirement that some actual notice other than registration be given to the owner whose land is in fact being taken. You can imagine the number of people in a lifetime who would normally have their titles checked, or how many people in a lifetime would bother to go and see them personally, to look for an expropriation notice. The answer to that suggestion is, very few. I think this is not an unreasonable suggestion, that actual notice in writing should be given so that people will know that an issue has been raised in regard to the particular land and will thereby know exactly what the issue is. I would be glad to pass that suggestion on for consideration by the Government.

In this connection not only will the actual owners of the land be affected but also those who have some outstanding interest in the land, such as those who might benefit from right of way. They may have only the right to pass over the land. Perhaps notice should also be given to those individuals.

Second, there has also been a question raised as to the delay of compensation. As the hon. Member for Carleton (Mr. Francis) pointed out, an attempt has been made in the bill to impose punitive interest rates for any delay which takes place in respect of the land.

Third, there has been a question raised in respect of what happens after the initial use is exhausted, and whether, the Government having divested itself of the land, it should be returned to the former owner at cost. The suggestion here is that among those who should be entitled to compete for the land is the original owner, if he is still in the neighbourhood and still owns contiguous lands, and that he should have the privilege of bidding pre-emptively for the land, with the value of the resale price to be decided by arbitration.

The fourth problem is that which relates to the cost of proceedings. There is a certain level of interest in respect of a $100,000 piece

of property, and presumably the owner of the property will have no alternative but to litigate. However, in respect of a $5,000 or $7,000 piece of property—perhaps not very valuable by some individuals' standards but very valuable to a particular owner—this poses a very serious question relating to the possibility of incurring legal costs in excess of the actual return he will get from the property. The hon. Member for Carleton referred to the previous bill and the specific reference to the costs of these proceedings being paid by the Crown. Perhaps that might be the answer and that counsel acting on behalf of the Crown in appropriate cases should be allowed to pay costs of expropriation arbitrations.

The one thing I should like to make clear before taking my seat, however, has regard to a suggestion put forward by several hon. Members in relation to the ultimate right of the federal Government under expropriation law. This was referred to particularly by hon. Members in relation to the provisions of section 92(13) of the British North America Act, covering property and civil rights in the province. I think it is useful to mention to the House that under the provisions of section 92(10), while local works and undertakings—this is a phrase to be taken to include most real estate that might be expropriated—come under the jurisdiction of the provinces, by subsection (c) of that provision the federal Government is given power over such works, although as a whole situate within the province, as are declared to be in the interest of Canada as a whole. It is under that authority that the federal Government not only has the power to take the rights of a private citizen in land, but the rights of provincial governments themselves.

Mr. Speaker, hon. Members have made a number of valuable suggestions which I will take the opportunity to bring to the attention of the law officers of the Crown in their consideration of the Expropriation Bill.

Mr. Thompson: May I ask the hon. Member a question? In the opinion of the Parliamentary Secretary, does the Government anticipate bringing forward legislation of this kind before the end of this session?

Mr. Macdonald: I must confess to the hon. Member that I do not have the authority to commit the Government in that regard. I do know this question has been receiving intensive consideration and I am hopeful that a bill in this regard will not be delayed. I cannot commit the Government any more definitely than that.

The Acting Speaker (Mr. Batten): Order. The hour for consideration of private Members' business has expired. It being seven o'clock the House will resume the business which was interrupted at six o'clock.

SUPPLY

INTERIM SUPPLY

The House resumed consideration in Committee of the following resolution—Mr. Gordon—Mr. Lamoureux in the Chair.

Resolved, that a sum not exceeding $1,651,292,282.42, being the aggregate of:

(a) four twelfths of the total of all the items set forth in the main estimates for the fiscal year ending March 31, 1966, laid before the House of Commons at the present session of Parliament, except external affairs item 15, mines and technical surveys item 70; and external affairs item 20 for which the proportion is three twelfths, $1,456,413,323;

(b) an additional four twelfths of the amounts of agriculture items 25 and 45, legislation item 15, and loans, investments and advances item L30 (Schedule A) of the said main estimates, $4,664,625;

(c) an additional two twelfths of the amount of northern affairs and national resources item 15, (Schedule B) of the said main estimates, $2,258,500;

(d) an additional one twelfth of the amounts of agriculture items 5 and 60, fisheries item 10, mines and technical surveys items 10, 15, 25, 45 and 60, national film board item 1, northern affairs and national resources item 45, (Schedule C) of the said main estimates, $9,566,025;

(e) seven twelfths of all the items set forth in the supplementary estimates (b) laid before the House of Commons at the present session of Parliament, $162,394,142.75;

(f) an additional four twelfths of the amounts of agriculture items 17b, 25b and 35b, mines and technical surveys item 70b, and loans, investments and advances item L78b, (Schedule D) of the said supplementary estimates, $7,245,666.67;

(g) an additional three twelfths of the amount of finance item 15b, (Schedule E) of the said supplementary estimates, $8,750,000, be granted to Her Majesty on account of the fiscal year ending March 31, 1966.

Mr. Lambert: Mr. Chairman, before six o'clock I had placed on the record the answers I received on behalf of the Minister of Citizenship and Immigration in respect of the De Luca matter, but there are certain questions which arise from those replies.

If De Luca, whose records were readily available to the Department of Immigration, was apprehended on March 17, why was it that it took until April 12 to determine that he had sufficient domicile in the country so as not to be subject to deportation proceedings? How is it that it took 25 days to make this determination, during which time he was confined to Bordeaux jail when, and this is

patently clear to me, the officials of that Department had this man's records before them, knew when he entered the country and knew the date on which he was apprehended? Domicile in this case is a statutory period of time; if a man has five years domicile he cannot be deported. However, he was detained for 25 days in order to ascertain this. Now, it is odd, too, that there were certain charges laid under the Juvenile Delinquents Act, but those charges were not founded so the man was not convicted. The other charges were withdrawn.

• (7:00 p.m.)

I think the Minister must answer as to why this was done. I am not trying to judge the man's character when I pose these questions. However, this man is a fairly recent arrival in this country, and has been here for five years. Under what right do we take him off the street, out of his job and incarcerate him for 25 days to establish that he has been in the country five years and therefore could not be the subject of deportation proceedings? I think we require a full explanation. The explanation so far is quite unacceptable under the circumstances. We do not think this should happen, because under the Criminal Code every man who is arrested has to appear in court and his case dealt with within a fixed period. A man cannot be detained indefinitely. When this does happen, certainly a rebuke is administered to the officials responsible. This is a travesty of justice when a man is detained improperly, whether under the Criminal Code or under the Immigration Act. It is still a violation of his rights and I must protest against this type of action. Certainly, the Minister must come forward with a better explanation than has appeared so far in this particular case.

Mr. Thompson: Mr. Chairman, I hesitate to interrupt the hon. Member for Edmonton West, but for some minutes, we have not had a quorum in the House.

The Deputy Chairman: Order; I shall ask the Clerk to count the House.

Mr. Lambert: I believe that, under these circumstances, House counting is not proper. So far as I am concerned, whether we have 15 or whatever, we carry on with the business. I do not care, but I suppose this is an opportunity to say certain people are present.

The Deputy Chairman: Order; I ask the Clerk to count the House.

Mr. Lambert: I hope this will not intrude on my time.

The Deputy Chairman: There are 22 Members present, the House is in order.

Mr. Lambert: I have finished with that matter.

The other day the hon. Member for Ontario asked the Minister of National Revenue about certain administrative rulings that were being followed concerning certain products of the ice cream industry which hitherto had been free of federal sales tax. We have protests, naturally, from the Dairy Council of Canada and inquiries as to why this has happened. The other day the Minister did not give an answer, and I invite him to give us an answer now. This administrative ruling was made in 1950, and if it was made at that time certainly there was a justification for the ruling. However, 15 years later, we find a change. I know this has been done in the past in connection with various taxation matters, but there must be justification for the change. It is not merely a case of a quest for revenue. Therefore, I invite the Minister of National Revenue or his representative to tell us precisely why this is being done. Certainly it is not a case of idle speculation, because the Dairy Council has put out a number of inquiries in regard to it; so obviously it must be well founded.

This afternoon I asked the Minister of Finance a question as to whether or not there had been any protests, official or otherwise, from the United States Government with regard to the bank controls that were being imposed on the Mercantile Bank of Canada as a result of its ownership by the First National City Bank of New York. I do not know why this action was taken. We will be discussing the subject again in committee when the Bank Act is before the committee. I must confess I cannot understand why there should be an element of retroactivity. After all, the Mercantile Bank of Canada was never owned by Canadians. When it was incorporated in 1952, it was definitely all Dutch capital. Control by the First National City Bank of New York came into the picture when it first of all acquired a 50 per cent interest in this foreign owned bank. Subsequently it acquired the remaining 50 per cent. Now, for some reason a bank which has been operating in Canada for 13 years is told, you cannot expand because of this nationalism the Minister is trying to impose upon our banks.

I have before me an article written by that great pundit of Liberalism, Bruce Hutchison, who writes periodically from great heights in the *Christian Science Monitor.*

Mr. Nielsen: The editor of the Minister of Transport.

Mr. Lambert: Whatever he may be, here is the article. It is within this article that I find a suggestion which I have found elsewhere as well, that our Canadian banks or agencies in the United States may come in for retaliatory action. I made this suggestion on the second reading of Bill No. C-102. Certainly, we would resent anything that would curb their activities and cause them some retrenchment. On the other hand, we have here a proposal—you may check me, Mr. Chairman, if you think I am slightly out of order.

Mr. Gordon: I was just going to say that I would be glad to deal with this at the proper time.

Mr. Lambert: I am dealing with the reply to the question this afternoon. I am sure the Minister has seen this type of comment. He may not have received official information from the United States Government, but I feel I must make this comment because the question is there. The Minister says he is going to deal with it at the appropriate time, perhaps in committee in October, November or perhaps in December when the committee has reported the legislation back to the House.

• (7:10 p.m.)

However, this is not really the main burden of what I want to say tonight. This afternoon the hon. Member for Yukon raised the case of William Grant, a former Yukon Indian Agent at Whitehorse. The Minister of Citizenship and Immigration indicated he had asked for a transcript of the judgment of Mr. Justice Parker. I trust he will read it because he will then see what I consider to be, not a prosecution but a persecution of a man whose record, according to the testimony of the trial and the editorials written since the verdict was handed down, was exemplary. This man was charged under six different counts with contraventions of the Financial Administration Act by making a false return to the Minister of Citizenship and Immigration.

William Grant was suspended on May 15, 1963 after he had been transferred from the Yukon, according to what had been the undertaking given to him when he initially went there. He was a man of rather frail health who went up there in 1960. On account of his devotion to duty he decided against his own wishes and those of his wife to take on the job in the Yukon, but only for a limited time because his health would not stand it.

[Mr. Lambert.]

He was transferred south to Vernon in late 1962 or early 1963. Then his administration came under investigation and he was suspended in May 1963. But, Mr. Chairman, charges were not laid against him until November 5, 1964, after approval by the Minister of Justice. The charges were not laid by the Minister of Citizenship and Immigration nor at his instance, because I think all will agree it is the decision of the Department of Justice and the Minister of Justice alone whether charges will be proceeded with or not.

This man went through his trial last week, and on Thursday Mr. Justice John Parker, even though over $70,000 was involved, fined him $10 on each charge, with one day in jail in the alternative. For the edification of hon. Members I will put on the record some of the things which were said by Mr. Justice Parker, and I hope that these words will sear the soul and brain of those people who were responsible for the charges in this case.

Mr. Justice Parker said:

> It would be quite inappropriate to send Mr. Grant to jail. Suspended sentence doesn't really apply. It would be an insult to this man to say, "You will go free if you stay out of trouble"... ridiculous. Mr. Grant is an exceptional man.
>
> When it comes to a penalty, Grant's career was shattered.

In parenthesis I may say he has been operating a small grocery store and his wife is a matron of nursing in a neighbouring hospital in B.C.

> He took certain risks, has said he was glad he did what he admits doing. He may still be glad, but he has suffered for it. There is no deterrent required ... how many public servants are going to take the risks Grant took to satisfy their conscience?
>
> Mr. Grant could have sat and watched the people in his agency die...could have said I have only so much money to spend, this has to be, I've done what I can. He did not do this. He risked his career to do what he as a conscientious person on the spot thought he could do without bringing the Government down on him. It is largely a matter of luck whether or not a government official can achieve these things. My final comment on the morality of this case...I like to think that had I been in Grant's position I would have had the courage to do as he did.

What was the offence? For housing some 2,500 people in the Yukon the department's allocation was $40,000, $16 per head on the average, and with respect to the conditions existing there one has only to read the evidence of the testimonials on behalf of Mr. Grant and the articles which appeared in the Western papers dealing with condi-

tions among the native population in the Yukon.

What did Grant do? As appeared in the evidence, like many another agent he had an almost open end cash relief account. He drew a cheque on it in favour of someone in the agency, as the need arose, and when the cheque was cashed the money was used to pay the accounts due. Some 70 houses were built and power lines installed. From the evidence it is clear that not one penny of this $70,000 found its way into Grant's pocket. As a matter of fact the evidence showed he paid money of his own in order to assist the native population.

Yet because of ambition, because of somebody's political decision, this man and an associate were brought before the courts. I shall read further from Justice Parker's judgment:

I doubt whether Indian Affairs ever got better value for expenditure than in those Mr. Grant made. Even the subsidizing of an Indian candidate for Sourdough Rendezvous Queen was a morale booster for the native people. Grant knew he could have got no authority to do what he felt was desirable there. He cleared the right of way, got poles for electrical power to Upper Liard. I believe him when he says he pointed this out to Commissioner Boys.

There is a real possibility of misunderstanding here. Commissioner Boys may have interpreted Mr. Grant's explanation as being a way of getting work out of Indians on relief payments.

Here is another interesting comment from the judgment:

It is interesting to note the Government of Canada has made no effort to recover any of the funds expended in this unauthorized way...the reason is perfectly clear. The Government is saying, in effect, "You had absolutely no right to do the things you did, but we quite agree with what you've done.

I read further from the judgment:

He had access to the parliamentary vote for Indian housing in the Yukon and Northern B.C.... a total of only about $40,000 per year. The cost of housing units was five or six thousand each.

So he knew he could do something to assist them to get better housing, though official funds were limited, there was no particular limit on the amount for relief funds at his disposal in Vote 519, designated for food, clothing, fuel and other relief objects.

I am satisfied Mr. Grant was aware of the practice in other agencies where cheques written on Vote 519 were used for other purposes as the Superintendent thought best. The number of needs here was higher than encountered elsewhere. So what he did was to write relief cheques payable to someone in the agency, have them endorsed and use the funds for housing and certain other purposes.

The pressures of conscience must have been very great...to anyone in the Yukon this makes very good sense...they would say, "Well, as a taxpayer, I'm in favour of this." However, it was in absolute and direct violation of his instruction. He risked his career as a civil servant to do what his conscience told him should be done.

I now wish to quote from an editorial in the Edmonton *Journal* of Friday June 25:

Bureaucracy has seldom appeared more foolish or the law been made into a greater ass than in the outrageous prosecution of Mr. William Grant, the former Yukon Indian Agent.

In a trial before Mr. Justice Parker at Whitehorse Thursday, Mr. Grant was convicted of making false returns to the federal Indian Affairs Branch...

Mr. Justice Parker is to be highly commended on the sensible view he took of the case and for mitigating, so far as possible, the effects of the folly of the Indian Affairs Branch in prosecuting Mr. Grant.

• (7:20 p.m.)

I would interpolate here that I do not think it is the folly of the Indian Affairs Branch. The prosecution was the direct decision of the Minister of Justice, and in passing I note that Mr. Grant has not been drawing any salary since May 15, 1963, and his associate has not been drawing any salary since September 1963. Yet we heard the Minister of Justice say the other day that a certain justice in Quebec who has been convicted of perjury who has appealed this conviction is continuing to draw his salary.

Some hon. Members: Shame.

Mr. Lambert: Is this a case of there being one law for those high in office and another for those who are not so high? We are all equal, but I suppose some people are more equal than others, if I may poorly paraphrase George Orwell.

An hon. Member: What did the hon. Member for Lapointe say?

Mr. Grégoire: It is because he gave his place to the Minister of Justice, to run in his constituency.

Mr. Lambert: Well, the hon. Member will make his own contribution. Those are his words.

This matter was suspended. Perhaps there was to be a cover-up. But why wait until November 5, 1964, to lay charges—18 months later? This is what we cannot understand.

Mr. Benson: I could tell you why.

An hon. Member: Go ahead.

Mr. Lambert: The Minister of National Revenue should listen to what this editorial has to say.

The judge said: "I should like to think that had I been in Grant's position I would have had the courage to do as he did." But he added that Mr. Grant's actions had "shattered his career."

Why should his career be shattered? The Federal Government must make amends to a good and faithful servant—and very handsomely. Every Canadian with a sense of justice and fair play will demand nothing less.

Now I turn to an editorial in the Whitehorse *Star* of June 24, 1965:

When Mr. Justice John Parker delivered his masterful summation in Territorial Court Wednesday afternoon, only a handful of spectators was present. None of them remained unmoved by the tribute paid to Bill Grant, a little guy who broke the rules to do what he felt had to be done. There is general rejoicing throughout the Yukon today that justice was done in that courtroom.

Now that the long strain is over, and Bill Grant relaxes for the first time in two years (it has been that long since he was suspended by Indian Affairs) there are a few afterthoughts for the record.

No one can assess what it cost Grant and Armishaw to face trial on charges which were brought by some unknown person to the Crown... how can anguish and heartbreak be weighed? How can a child's sorrow and torment at the hands of others be measured? How is a value placed on a beloved mother who suffers a stroke because of a court case?

There is one economic yardstick which can be measured however...in dollars and cents, Bill Grant has lost at least $20,000 because of his actions on behalf of the Indians in the Yukon. He has lost two years' salary as Superintendent of Indian Agency, plus transportation and other incidental expenses to go back and forth to Whitehorse from his home in Vanderhoof, B.C. for arrainging, for preliminary hearing, for trial. Legal counsel is another expense item.

Bill Grant and Joe Armishaw were brought back under police escort, housed in the R.C.M.P. detachment jail like common criminals. They have been unable to find employment for the past two years with serious charges hanging over their heads.

As Judge Parker commented, no deterrent is required... how many civil servants would be willing to risk their careers as Grant did?

Is there no compensation aside from moral justification?

I have before me testimonials from a number of citizens of Whitehorse as to the manner in which this man worked for the Indians. They speak eloquently of his position in Whitehorse. I do not know Grant. I have had no contact with him. But the mere appearance of these things in black and white cries out for justice. We all know that in every department certain things are done—the rules are bent slightly; a way is found to do justice, to do the right thing. Parliament provides certain sums of money for use in the Indian Affairs Branch. Many a superintendent of Indian Affairs believes he should be developing a community of people who will not simply be waiting for cash handouts. Here, this money was used for housing. One only has to read the reports of the medical officer to visualize the state of housing for the native people in Whitehorse—how unsanitary it was. But this was taken care of in part at least. And what was this man's recompense? A bureaucratic decision that he should be prosecuted. I say that this decision by the Department of Justice was a shabby decision, a shocking decision.

Now comes the question: What will happen to William Grant? Is he to bear the stigma of dismissal from Her Majesty's service because he was convicted on six charges under the Financial Administration Act, after he had put in 14 years of exemplary service? His service was valued service—

Mr. Moreau: Would the hon. Member permit a question? Would he tell us who it was who provided the niggardly sums for housing to meet this situation?

Mr. Lambert: This is the history all through. The situation is no better today than it was before. I am glad the hon. Member for York-Scarborough raised this point. It shows that all he can think of in this matter is partisan, political considerations. Nothing more is embodied in his question.

An hon. Member: As always.

Mr. Lambert: I am not excusing the previous administration. I am saying that this situation is a blot on the conscience of us all. I am not excusing myself for only $40,000 being provided for the housing in that area. It was wrong. Let us admit it was wrong. But what I am talking about now is the man who tried to get away from that position, Parliament having voted other funds. No one has said we must recover the money. The cash relief provision could have been cut by 60 per cent and the money applied to housing. It was there. One hundred thousand dollars could have been available.

The Deputy Chairman: Order. I must advise the hon. Member that his time has expired.

Mr. Lambert: In view of the fact that there were some interruptions, may I have a few more minutes? I am reaching my peroration.

I feel we should have a full explanation why this man was prosecuted. Why was there this persistence in the prosecution? After all, the evidence is that many other agents had done similar things in the past—they, too, out of humanity. I am not suggesting that the end always justifies the means. But money has been provided and the department obviously knew what was happening. How could they possibly have been unaware, after

two or three years, that something was going on in this area?

• (7:30 p.m.)

Also, the houses were going up; there were field inspections. This would be apparent. But somehow or other after Grant left the Yukon there was a complaint; and by whom? It would be interesting to know who made the complaint, and why. I wish to thank the Committee for the extended time, Mr. Chairman. There may be some further remarks I may wish to make as the debate develops.

Mr. Nicholson: Mr. Chairman, perhaps I might reply briefly to one of the points raised by the hon. Member who has just spoken. I refer to the De Luca case. I think I might suggest, having regard to the wording of the two answers to which my hon. friend referred, that it might be suspected that there was good reason for this. If a man has been tried in the courts and acquitted, one does not like to go into too much detail in answering a question.

I might, for the information of the hon. Member and others interested, state that in this particular case De Luca, within five years of his landing in Canada and before he had acquired domicile, was convicted of assaulting his wife and sentenced to a short term in jail; I believe it was some three days. He might have been deported at that time, technically, because he had committed a crime which warranted action under the Immigration Act; he had been convicted of an indictable offence before he had acquired domicile in this country.

Before he had acquired domicile, while he was in Italy on a visit, leaving his wife behind him with the young children referred to, the Immigration Department received information of a very disturbing nature from the wife. That information was referred to the police authorities promptly and an investigation was made. This was within a matter of days before the five years would have elapsed permitting this man to gain the status of a domiciled Canadian. He was picked up on an immigration warrant and charges were laid against him in the courts; serious charges were laid in the Family Court. The immigration authorities did not release him on bail because of the serious nature of the charges, and the Judge of the Family Court also refused bail in that particular case.

Before the immigration authorities had an opportunity to proceed with the hearing, which would have justified his deportation because he had been convicted, a prerogative writ was issued. Because of the prerogative writ they could not proceed with the immigration hearing, and he acquired the five years domicile while the prerogative writ was pending in the courts. I think he had been picked up during the third week of March and by early April he had acquired the five years domicile and the Immigration Department could take no further action.

But, Mr. Chairman, if my hon. friend had wanted to see the file and the nature of the information, he had only to come to my office and he would have seen it. If he had done this I am quite sure he would not have been as critical of the Department as he has been today. The file is there and he can see it any time he wants to do so.

Mr. Lambert: Mr. Chairman, why would the Minister tell me it takes 25 days to determine the fact that a man has acquired domicile? It is a simple case of mathematics. Whilst the Minister is considering his answer to that question perhaps he would address his mind to this point. Is it the practice of the Department to dredge out from maybe two years back a minor assault charge? I think one would have to really scrape the bottom of the barrel to justify deportation on that count and suggest that they are sufficient grounds.

This is the point that worries me. As I say, Mr. Chairman, I hold no brief for De Luca, but I am concerned with the time that was taken before he was released. If the release of April 12 was under the Family Court proceedings, then the Minister need only tell us that. I am concerned with how long the immigration authorities had him under detention.

Mr. Nicholson: He was released on April 12, Mr. Chairman. He was picked up on March 17. There were three charges laid under the Family Court Act, but in the meantime a prerogative writ was issued. My hon. friend knows that the hearing of a prerogative writ is within the jurisdiction of the court and not the Immigration Department, and we cannot proceed with an immigration hearing unless the ruling of the court permits us so to do. But before that prerogative writ issue had been disposed of he had acquired five years domicile in this country and we could take no further action. I wish my hon. friend would just take the time to come into my office and see the material that prompted the action in this case.

Interim Supply

Mr. Winch: Mr. Chairman, there are two matters I would like to raise in this interim supply debate. I regret having to raise the first one but I do so because the matter has been raised time after time by other Members as well as myself and no action has been taken. So far as I am concerned, I am going to get up on every available opportunity until an injustice is corrected. The injustice is that the federal Government, quite legally but actually, is stealing some $1,500 a year from certain skilled tradesmen in their employ. I have never been able to understand why there is one policy in one department and an entirely different policy in another.

In the case of a skilled tradesman such as an electrician employed by the Department of Public Works in this building, he receives what is known as the prevailing rate. An electrician employed by the Department of Public Works has to have the same knowledge and does the same work as the electrician who works for a private contractor outside the public service. This is an accepted principle, and has been for years and years, in the Department of Public Works. But when we come to an electrician employed by the Department of National Defence in the dockyard at Esquimalt, then the prevailing rate structure does not apply.

I have raised this matter before and, as I say, I am raising it now and am going to keep on raising it until the situation is corrected. I will admit that I have a particular interest in this question because by trade I am an electrician myself and I know what these men are up against. There is only one difference between the electricians in the dockyard and myself, and that is that although I am trained to give light the same as they are, I also try to give light in a different way in this House of Commons.

An electrician in the dockyard at Esquimalt never goes on board ship—that is, the inside wireman—and therefore never does any work on board ship. Therefore he is not a marine electrician. Yet the Government insists on classifying the electricians in the dockyard at Esquimalt who never go on board ship, who have to do all the work that any other electrician has to do and have to have all the qualifications, as marine electricians and not as inside wiremen. This is the way they are classified by the department. A marine electrician receives $3.05 an hour; that is the prevailing rate. But an inside wireman in Victoria receives $3.85 an hour as the prevailing rate.

[Mr. Nicholson.]

• (7:40 p.m.)

Year after year this department refuses to recognize that they are inside wiremen and they are not marine electricians, and because of this outright discrimination they are stealing $1,500 a year from the electricians employed by the Department of National Defence in the dockyard at Esquimalt. These inside wiremen not only do maintenance work but they have to do construction work. They have to handle pumps and other electric motors with ratings as high as 2,300 volts which marine electricians are not qualified or allowed to handle. Yet we have a continuation of this situation.

The situation is even worse for the linemen working in the dockyard. These linemen handle hot, as it is called. They handle up to 60,000 volts. They handle hot anything, from 110 volts, 220-240 volts, 2,300-2,400 right up to 60,000 volts. The B.C. hydro men outside the camps are paid $3.42 an hour. The linemen inside the fence working for the Government are paid $2.95 an hour, instead of $3.42. I say this is absolutely unfair and is against what has always been the policy in most Government departments, namely that skilled workmen, be they electricians, carpenters, painters, plumbers or steamfitters are paid the prevailing rate; and the prevailing rate is the union rate. In Victoria the Department of National Defence furthers this injustice by stealing from qualified workmen $1,500 a year by way of salary. I hope that this will be the last time that I, the hon. Member for Esquimalt-Saanich and others have to draw this discrimination to the attention of the Government. Before the House meets following the recess, which I understand is going to come about, I hope that corrective action will be taken in the payment of union wages to federal employees who are entitled to them, and that some consideration will be given to making this payment retroactive for at least a reasonable period of time.

There is one other matter I want to raise on interim supply, which provides the only occasion on which I can raise it. The City of Vancouver is not only a major port of Canada, but it is one of the major exporting ports of the world. There is a labour dispute taking place in the City of Vancouver. One of the elevators has been closed for a period of time. The union workers in Vancouver have, however, played fair with the farmers of this country and with the port of Vancouver and the Government in that, out-

side of this one elevator, all other elevators have been kept in operation and these men are prepared to move the wheat from the elevators to the ships just as fast as the ships come into port and the wheat becomes available.

However, Mr. Chairman, what is happening is this. The other elevator companies are by their actions blacklisting the port of Vancouver. They are by their actions being unfair to the farmers and laying the foundation for antagonism of the unions so that the strike will spread. Only yesterday I believe the Minister of Labour received a telegram from the United Brewery, Flour, Cereal, Soft Drink and Distillery Workers of America. This is the union concerned in the present dispute in Vancouver. I think that this matter is of such importance that the only way that we can assure a sense of decency on the part of these firms to their employees, the farmers of Canada and the Government is to place on record the complaint which has been officially brought to the attention of the Minister of Labour. Therefore having received a copy from the employees of the union concerned I should like to read this telegram. It reads as follows:

> Having promised the government to try and keep the export grain flowing through port of Vancouver by not spreading the strike to other elevators, while current industrial commission attempting settlement, unless provoked into doing so, the union urgently requests you to cause an investigation as to: (a) why are so many ships lying in the stream during the past six weeks, waiting to receive grain cargoes;
>
> (b) why the operating elevators do not and have not had the proper grades, e.g. Durum wheat, etc. on hand in sufficient quantity and why they have large vacant storage space at present;
>
> (c) why railroad cars from the prairie were reduced to a trickle on one or more occasions during last two months;
>
> (d) why many grain berths and loading spout facilities at operating elevators have been vacant and out of use during the past several weeks;
>
> (e) why one large elevator is cutting off receiving cars from three to five days so it can conduct a weighover, i.e. a Government inspection of grain on hand, when ships are waiting for wheat and prairie farmers are waiting to ship. Surely an extension could have been given this elevator by the board to protect its licence, if this is the problem;
>
> (f) why in light of above, farmers at east-west shipping point in Saskatchewan have not been able to have their storage grain shipped so as to clean out their bins for new crop;
>
> (g) why board developed new camouflage twist of placing on outside of cars cards designating other elevators as consignee yet when opened such cars have Alberta Wheat Pool grain tags inside.

This is the elevator that is being struck, Sir.

> This causes a struck company's grain to go into an unstruck elevator. It is a provocative move to possibly expand strike. Although unsavoury the union is urging its members to handle this wheat in order not to fall victim of companies provocations to expand strike, at least during incumbency of Commission.
>
> Copy of this wire sent to house leaders—

Etcetera. That telegram is signed by Mr. E. C. Sims on behalf of the grain workers union.

I do not apologize, Mr. Chairman, for taking up the time of this Committee in reading the telegram or raising this issue on interim supply. The farmers want to ship the wheat they have in stock, so as to clean their bins and be prepared for the new crop. The port of Vancouver wants to ship the grain. The Minister of Trade and Commerce is proud of the contracts he has been able to sign in connection with the export of Canadian wheat. The City of Vancouver wants the port kept open. The employees want to reach an amicable understanding with their employers. They do not want to close the port. They have shut down one elevator only as a demonstration of their demands and have left the others in operation. Yet the evidence from the union in Vancouver that the elevator companies are being provocative and are trying to provoke by their action the unions into expanding the strike, a strike which the Vancouver workers do not want, is conclusive. They are very definitely trying to provoke an expansion of the strike by placing labels on the outside of railway freight cars designating them for elevators which have not been struck. However, when the union men open the doors of those freight cars they find that they were originally intended for the Alberta wheat pool elevators which have been struck.

• (7:50 p.m.)

I know that all Members of this House want to see wheat flowing through the port of Vancouver, and the way to ensure this is to refuse to be part or parcel of mislabelling of freight cars, and to make sure that every bit of storage in elevators in Vancouver which have not been struck is fully utilized.

According to the telegram to which I referred there were not less than six ships in mid-stream Vancouver harbour waiting to be loaded with wheat, which apparently the other elevators were not prepared to supply because of their attempt to create the impression that elevator employees and unions are the ones who are responsible for the expansion of any tie-up in the City of Vancouver.

I think I have said enough to emphasize not only the importance of this matter but to draw this situation to the attention of the Minister of Labour. I have done so with the hope that he will not receive this telegram without doing something about it. He has very capable employees in Vancouver and I feel that he should give them explicit instructions to see that elevators which have not been struck are operating at full capacity to the benefit of the workers, the City of Vancouver, the farmers and this country as a whole. I want to reiterate my hope that the Member for Esquimalt-Saanich and myself will not have to get up again to ask for decency and fair play for the employees in the dockyards at Esquimalt in order that they may obtain their rights to receive prevailing rates, because they are qualified and they have to do the work.

[*Translation*]

Mr. Vincent: Mr. Chairman, I should like to take up a few minutes to raise a question of interest to all C.N.R. station masters, from Vancouver to Newfoundland.

Some time ago, I received representations from C.N.R. station masters and got in touch immediately with the Minister of Transport (Mr. Pickersgill). I should like to read a few paragraphs from my letter, so that all the members, and more particularly the government members, might know the injustice which is being done by C.N.R. officials to station masters who have worked for that company for 15, 20 and even 30 years. Now, this is what I wrote to the Minister of Transport on April 14, 1965:

Honourable Sir:

I am informed that the Canadian National Railways intend to take away from station agents the express commissions on the line from Vancouver to Newfoundland. It seems that this amount paid in addition to the station masters' salaries amounted to over one million dollars. As a compensation, the C.N.R. has offered approximately $300,000 to be distributed in lieu of commissions.

And there I mentioned to the Minister of Transport that a few station agents had asked me to intervene on their behalf to correct, if possible, the new policy which C.N.R. officials intended to adopt.

In addition, I pointed out in my letter that those persons told me that this compensation would represent approximately one fourth of the amount they received previously as commissions. This means that a station master who received $500 in commissions to do this work would only receive about $125 under this new policy.

[Mr. Winch.]

On April 15, the minister acknowledged receipt of my letter and on June 10, he replied that he had received from the C.N.R. a report on my remarks about the proposed removal of the commissions. The authorities of the company also advised the Minister that the matter had been discussed with the Order of Railway Telegraphers for several years and that negotiations were under way with that organization.

The minister also suggested that those concerned be asked to submit the usual representations to their unions.

I want to point out this evening that station masters employed by the C.N.R. for many years got from $100 to $5,000 in commissions for their work. Those commissions cost a little over $1 million every year to the C.N.R. and now the company offers its station masters a compensation of $375,000, or approximately 25 per cent of the amount paid previously. In short, instead of getting a salary increase, as in every other segment of society, and in every other trade or profession, those C.N.R. employees must accept a rather substantial reduction.

I even met a station master who told me that this new policy would cost him over a thousand dollars a year in salary.

The company told the station masters to make their representations to their union, but the employees told us that the latter had informed them that they had to accept the company's offer because it seemed final.

At a meeting last May 13, the company offered station masters the sum of $250,000. According to a press release company officials stated:

[*English*]

—Company is desirous of withdrawing Express Commissions either through negotiations with us or by other means.

[*Translation*]

Mr. Chairman, that means that the station masters concerned had no other choice than to accept the company's offer, in order to obtain the largest amount possible, because the company would take other steps to withdraw express commissions.

• (8:00 p.m.)

After drawn-out negotiations, the union concerned was forced to accept an amount of $375,000 which was distributed as follows: 6 per cent in the Atlantic provinces, 25 per cent in the St. Lawrence region, 24 per cent in the Great Lakes area, 24 per cent in the Prairies and 11 per cent among the station agents of the Mountain region. The station

agents will be forced to accept this amount and will have no other recourse. As a consequence, agents in my region as in others, will see their salaries reduced by $500, $800, $1,200 or $1,500 a year.

At present station agents are wondering if the C.P.R. has acted the same way. They would also like to know if this crown company, which receives federal grants, can actually reduce their earnings by eliminating the payment of commissions, and whether, in the next few months, the company will announce a salary revision so that they may receive as much money as they did prior to this agreement, to provide for their family's needs.

I take this opportunity to thank the minister, first for having answered my letter, and second, for having asked the C.N.R. for a report. I also wish to ask the minister to give this matter further study and to see if there has not been any discrimination against those C.N.R. station agents. It should also be determined whether those agents who, as I said earlier, received up to $4,000 in commissions but will henceforth be receiving only $1,000 to $1,500, will have their loss offset by an increase in salary of $2,000 to $2,500 a year.

I am sure that if the minister takes the trouble to study the question—and I know that he will do so—he will find that the people concerned have good grounds to fear the worst. Indeed, if members of all professions are getting salary raises at this time, it is inconceivable that this group of citizens, in all Canadian provinces, should suffer a salary decrease.

The second point I wish to make on interim supply arises from a certain statement by the Minister of Agriculture (Mr. Hays). We know that, at the present time, one must be very cautious in Canada as to the words one uses and the action one takes to achieve greater unity and understanding between western and eastern farmers. Sometimes, certain statements shock us and rightly so.

As far as I am concerned, as a citizen of eastern Canada and as a practising farmer, I do not want to criticize in any way western farmers or the present or the past governments for passing legislation in favour of farmers in the western provinces. What I want is that, instead of destroying the action taken in favour of western farmers by the governments, farmers from eastern Canada should find a way to profit by the advantages offered by the federal government. Too often in the past, there seemed to be attempts to rouse one group against the other, and in fact, we, in eastern Canada, have noticed, that such was, in a way, the policy of those who govern the affairs of this country.

Thus, during the last electoral campaigns, candidates in eastern cities, such as Toronto and Montreal, said that the Conservative party, when in office, favoured western Canada much too much. A feeling of distrust was created here against the Conservative party and western farmers who, it was said, were always asking the federal government for money under the crop insurance act and other legislation. It was even claimed that those statutes protected only western farmers. In my opinion, that campaign was disastrous for national unity and for eastern farmers.

I should like to make this appeal: Let us put an end to those suggestions and remarks which tend to divide rather than unite.

If every time a group, either from the east or the west, wants some legislation to be passed, another group objects thereto on the grounds that the government is doing too much for one part of the population, we are really going to divide Canada.

I should like to refer to what the Minister of Agriculture (Mr. Hays) said last December—I was then recuperating from a car accident—before the Canadian federation of farmers at the Empress Hotel in British Columbia. I have read his remarks again and again, but it is the first time that I have the opportunity to quote them in the house for the information of all hon. Members and also for the edification of eastern farmers, so that they know exactly that the good old policy of the Liberal party of going into one part of the country to arouse its people against those of another area still prevails.

I will simply read without any comment what the Minister of Agriculture said. I am sure that everybody will be able to analyse his words and their purport.

I quote in English the minister's statement:

• (8:10 p.m.)

[*English*]

Achievements such as these have been due in large part to the capacity and ability of your farm people and leaders.

They have been due also, I would think, to the fact that there is still a pioneering spirit here, a willingness to try new approaches and break new ground.

[*Translation*]

This happened in British Columbia, Mr. Chairman.

[*English*]

As a matter of fact I sometimes wish we could transport some of this vigorous pioneering spirit,

this eager open-mindedness and willingness to try new ideas which is so typical of the whole west —including the west I come from—to other parts of our country.

I know I'm prejudiced, but I think it would tone up some of our eastern provinces to have a little more of this healthy western pioneering spirit down there.

[*Translation*]

Mr. Chairman, I know that westerners are broadminded and willing to accept new ideas, new ways of dealing with problems, but it does not follow, as the Minister of Agriculture seemed to insinuate, that farmers of eastern Canada, Ontario, Quebec and the Maritimes, are narrowminded and unwilling to consider new ideas. If the minister created that impression in western Canada about the Ontario, Quebec and Maritime farmers, I would invite my hon. friends from the western provinces and British Columbia to come to the east, to Ontario, to my own province of Quebec, or to the Maritimes where they will meet farmers who are not narrowminded but willing to accept new ideas to improve their lot and help their profession.

However, none of those new ideas should be along the lines once suggested by the Minister of Agriculture, namely that the Quebec farmer could live with the proceeds from six cows and two sows and that the Quebec members who spoke in the house of a recession in agriculture were talking through their hats. That is no way of introducing new ideas or of dealing with a segment of the population which wants to live on Canadian soil and participate in the achievements of our national economy.

Frequently, organizations or people draw our attention to statements made by the Minister of Agriculture. At first we hoped that the minister would check his bursts of temper, stop making wanton statements or think twice before making great statements.

Some time ago Ontario farmers organized by the Ontario farmers' union marched on the federal capital. They came to ask the federal government to consider their problems and find a solution so that farmers could get a decent income, which is only right. In fact, if, according to statistics, the average income of the whole family is $7,200 this year, the average income of the eastern farmers family is much lower than that. If the government wants farmer income to increase proportionately, it should cease to make improper remarks against farm organizations and farmers.

The Minister of Agriculture had this to say about this march:

[Mr. Vincent.]

[*English*]

The brief presented by the marchers contained "serious factual errors in statistics and glaring contradictions in its own policy statements." No government can be impressed by this sort of presentation, he added.

[*Translation*]

And the minister continued further on:

[*English*]

Before agitating for action, surely it should know exactly what action it is agitating for. It seems to me that any other approach is purely irresponsible. And I don't just think Canada can afford this kind of irresponsibility inside or outside our politics.

[*Translation*]

This means, Mr. Chairman, that the Minister of Agriculture was simply saying to these people that their brief concerning a certain policy was nonsense, irresponsible, and that the figures quoted were wrong; that these men who had taken the trouble to study data from the Dominion Bureau of Statistics and the Department of Agriculture, these men who had come here to the federal capital to submit a true picture of farming in Ontario, were all wrong. They came here to ask that a specific policy be adopted, and they were told once more, and this to the Chamber of Commerce of Alberta, they had not considered the matter, in short, that they did not know what they were talking about. I suggest that such an answer tends to divide rather than unite the country or the classes of society, or the eastern and western farmers.

If the Minister of Agriculture has something to say to Ontario farmers, instead of doing so before the Chamber of Commerce of Alberta, he should have the courage to tell them face to face, or else in the course of a meeting in his office. If the Minister of Agriculture has something to say against the eastern farmers, let him not go to the Empress hotel, in British Columbia, and tell western farmers what is going on in eastern Canada; instead he should at least have the decency to reply to farmers of eastern Canada, to discuss with them the problems the East has to face and not go and discredit these people before their fellow citizens, counterparts or friends in western Canada. As far as we are concerned, we want others to succeed in their own region, but we also wish to succeed at home.

I shall conclude my remarks on these two points which I think, are significant; first, I hope the Minister of Transport will give

immediate attention to the station agents of the Canadian National Railways in my province and in the eastern provinces; second, I hope the Minister of Agriculture will once and for all put an end to those unpleasant remarks about eastern farmers when he speaks to western farmers.

For my part and as far as we on this side of the house are concerned, we shall never agree to criticize or campaign against the present government if it helps western farmers, but I want the same attitude to be adopted by the government when its ministers come and make political speeches in my province and in all eastern Canada.

• (8:20 p.m.)

[*English*]

Mr. McIlraith: I wonder if it would be agreeable, in order to get some legislation forward to the other place, if the committee were to rise, report progress and ask leave to sit later this day, or tomorrow? Then we could go on to deal with certain items of legislation—the veterans legislation, the Judges Act and possibly, though this is not yet certain, the resolution preceding the measure concerning incentives for designated areas.

Mr. Starr: Agreed.

Progress reported.

WAR VETERANS ALLOWANCE ACT

AMENDMENTS RESPECTING AMOUNTS, EXEMPTIONS, ADMINISTRATIONS, ETC.

Hon. Roger Teillet (Minister of Veterans Affairs) moved the second reading of Bill No. C-127, to amend the War Veterans Allowance Act.

Mr. G. L. Chatterton (Esquimalt-Saanich): May I ask whether it is the intention of the Government to refer this amendment to the Standing Committee on Veterans Affairs?

Mr. Teillet: While I would have no objection to such a course, I think it would be of value if these bills were disposed of by the House. I will undertake to ensure that when the standing committee meets later this year these matters will be before them, along with others, and the veterans organizations will have ample opportunity to make any representations they may care to make.

Mr. H. W. Herridge (Kootenay West): I wish to say that the Members of this party support the principle and purpose of this bill, which contains amendments which have been urged by various veterans organizations during the past two years to my knowledge. We might call this a tidying-up bill with respect to definitions and certain details which have been overlooked to date.

I know that hon. Members wish to get on with the legislation and I suggest we should pass through the second reading stage and ask any question we may wish to raise on the clauses, when we are in Committee of the Whole.

Mr. Chatterton: Perhaps I might make a few observations—

Mr. Deputy Speaker: I would remind the hon. Member that we are not yet in Committee and that he has already taken part in the debate. If there is unanimous agreement that the hon. Member may take part in the debate again, it could be done. Otherwise, his contribution should be made in committee.

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

On clause 1—"*Child*".

Mr. Chatterton: I wish to make a few remarks on clause 1 with regard to the proposed amendments to this Act. Generally speaking we are in favour of the proposals. We think they are good, though they do not in all respects conform to the recommendations of the veterans organizations. I admit these organizations have approved the schedule of payments and income limits.

• (8:30 p.m.)

The first point at which I suggest the present amendments are amiss is the provision for maximum income allowable to a married couple. The maximum income allowed under the terms of the present bill has been increased to $220, and the allowance has been increased to $161 a month. I wish to take up the case of the married veteran who has dependants—veterans who were granted war veterans allowance under section 3(1)(c). That is the provision which allows a veteran to obtain war veterans allowance because of unemployability. I have on my records an example which I referred to the Minister, and under the existing legislation the Minister of course had no alternative but to deny the application. This was a young veteran of 35 years of age who under section 3(1)(c) of the War Veterans Allowance Act was declared to be unemployable because of a serious heart condition. He had five children. Under the

existing legislation and under the proposed legislation the maximum that can be granted to him out of the assistance fund is the maximum income allowable under the War Veterans Allowance Act, which is now $221 a month.

I admit, of course, and recognize that any allowance this couple would receive under the Family Allowance Act and under provincial social legislation is not considered as income—that is, any other such income—for the purpose of the ceiling of the War Veterans Allowance Act. But the fact of the matter is that in certain provinces, and certainly in British Columbia, the ceiling established by the War Veterans Allowance Act is greater than the ceiling allowed by the provincial government for social assistance. The result is that we get a married couple, without any children, receiving $221 a month. We also have another married couple where the husband is also in receipt of war veterans allowance, with five children, who are allowed exactly the same amount and the same ceiling. What I am suggesting is that the Minister consider merely raising the ceiling of allowable income to those war veterans allowance recipients who have dependant children. It will not cost any more money under the War Veterans Allowance Act. I am suggesting that the Minister merely raise the ceiling by say $25 per month for each dependant child. Then under the assistance fund they could receive an additional allowance, and if they do not receive the additional allowance because the board will not grant it to them, at least the wife could go out and work. The husband himself is unemployable, he has been declared so by medical certificate. The wife could go out and earn more money to support the five children, or however many there may be.

I suggest to the Minister that the situation is so obviously inequitable that it warrants his serious consideration. I have suggested that the maximum allowable income be increased by say $25 a month for each dependant child. I would appeal to the Minister to do this. I know he is interested in this matter and I ask that he consider this proposal very seriously under the present bill.

We are anxious to get this legislation through. Mind you, Mr. Chairman, there is not the same anxiety to get the war veterans allowance amendments through tonight or tomorrow because the increases are already in effect. But there are other ways in which this legislation could be improved. I could go on for some time describing some of the other inequities that exist under the War Veterans Allowance Act and which are not remedied by the proposed amendments. I would suggest to the Minister that perhaps this bill might be referred to the standing committee; but if it is not, let me mention another problem that has been brought to my attention on many, many occasions.

I realize this is somewhat of a departure from the original principle of war veterans allowance. One of the greatest difficulties I have seen with recipients of war veterans allowance concerns medical expenses incurred by the wife. I would suggest to the Minister that he seriously consider that the wife and also, of course, dependant children of a recipient be taken care of as far as treatment is concerned. Without going into any other anomalies that I have noticed, may I suggest to the Minister that if it cannot be done now, in the future the war veterans allowance be tied to an index, I would not say to the cost of living index but to the average standard of wages. It seems that veterans organizations are reasonably satisfied with the rate set under the proposed amendment and as established by the House last September. If this is a reasonable standard, let us tie it to the increase in wages of the people of the country. I think this would be very beneficial in the future, provided you use the right index, not the index used in the Canada Pension Plan, and escalate the war veterans allowance as the standard of wages across the country goes up.

May I again refer to the question of the increase in the allowable income to those recipients who have children. Remember, Mr. Chairman, that under the Canada Pension Plan an orphan is defined as being a child of a breadwinner who has died, and is given an allowance of $25 a month. This applies to each child up to four, and the allowance is $12.50 a month for each child thereafter. These people in receipt of war veterans allowance because of unemployability are not able to qualify their future orphans for this allowance.

Sometimes there is lack of consultation between one department and another. In this case I believe the Minister and his staff should consider the difference between the allowance in respect of an orphan where a recipient of war veterans allowance has died and should put the widow in the same category as a married veteran. But the chil-

dren of the deceased war veterans allowance recipient cannot qualify for the orphan's benefit which is given under the Canada Pension Plan. Therefore there is all the more reason, I suggest to the Minister in all sincerity, for his considering at the very least raising the maximum income allowable to a married couple with dependant children.

Mr. Herridge: Mr. Chairman, I support the remarks of the hon. Member who has just spoken, although personally I think we would be well advised to pass the bill this evening. But I do think the questions the hon. Member has raised could be brought to the attention of the standing committee when the bill is before it for consideration and review, and I hope that in the meantime the Minister will give serious consideration to the points raised by the hon. Member for Esquimalt-Saanich. I may say before I sit down that I am very glad to see in this bill the provision whereby "widow" is defined as a widow of a veteran who, having been in receipt of an allowance under this Act, marries and whose husband dies within five years of the date of the marriage.

Mr. Lambert: Mr. Chairman, I have one point to put before the Minister. It is one that I have raised on previous occasions and I have spoken to the Minister privately about this. It concerns Canadian servicemen who are abroad and have not come back to Canada since either the end of World War I or World War II. They would in all respects qualify for pension except with regard to the residence requirement of one year in Canada. If I remember rightly, this is one of the basic factors, namely that there has to be one year's residence in Canada before a man may qualify for war veterans allowance.

However, there are now a number of cases of servicemen who have stayed abroad, particularly in the United Kingdom. I know some administrative difficulty may be caused in respect of the Canadian servicemen who have lived entirely in the United States, and this has perhaps posed most of the problem on the negative side of this question.

• (8:40 p.m.)

With regard to those who live in the United Kingdom, frankly I fail to see why, having amended our war veterans allowance provisions in the past few years, first of all the allowance should be payable to a recipient anywhere in the world, and second, that allied servicemen who have completed, either themselves or through their widows in appropriate cases, ten years residence in Canada can qualify for war veterans allowance or whatever consequential allowances are payable under the Act, yet Canadian servicemen, and there are a large number of them, who have remained in the United Kingdom and married there, not having come back to Canada, are just as much servicemen as those who live in Canada. We have accepted the principle of paying benefits offshore. Therefore in those circumstances I am wondering why we disqualify so many by insisting on one year's residence in Canada.

A man who otherwise qualifies for war veterans allowance is obviously precluded for economic reasons from coming back to Canada and establishing one year's residence and then returning to the United Kingdom. You might as well ask him to walk to the moon. Yet why cannot this be done in these cases? I put this before the Minister so that he and the senior officials of the War Veterans Allowance Board can consider this point, which I think should be discussed the next time the Standing Committee on Veterans Affairs meets.

I have a very urgent plea on behalf of these veterans, particularly those who live in the United Kingdom and Europe. Those who are closer on the continent of North America I have less sympathy for, although there may be some cases of hardship involving health. Nevertheless I have less sympathy for men on the North American continent who cannot establish a year's residence in Canada. But I do not think we can fault the man who is overseas. If we accept the principle of payments offshore, why cannot we remove this disqualifying bar from these veterans?

Mr. Chatterton: Mr. Chairman, there is just one more anomaly I should like to bring to the attention of the Minister. It relates to the widows of allied veterans. The present Act states that, provided the allied veteran has lived in Canada for ten years, or that the time the allied veteran has lived in Canada coupled with the time his widow subsequently lives in Canada amounts to a combined total of ten years, that veteran or his widow, as the case may be, is eligible for war veterans allowance. However, there is one anomaly under the Act, and this is where the veteran happens to die in a country other than Canada. In that event his widow, no matter how long she lives in Canada, cannot qualify.

I think this is an anomaly which should be brought to the attention of the Minister. I say this because his Department in Victoria actually had a case of this sort submitted to it. This sort of thing will not occur very often, but it is just as well that these anomalies are eliminated whenever this legislation comes up for amendent.

Therefore I would ask the Minister, through you, Mr. Chairman, to consider this particular anomaly, which perhaps will occur only once in a hundred times. But once is enough. I realize the officials of the Department, in my experience at any rate, have always done the most they can under the terms of this legislation, but I would ask the Minister to have his staff look into this anomaly and see whether it can be eliminated.

Clause agreed to.

Clauses 2 to 12 inclusive agreed to.

Schedule agreed to.

Title agreed to.

Bill reported.

Mr. Teillet moved the third reading of the bill.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, before we pass third reading I should like to ask a question. Is it distinctly understood that when the Standing Committee on Veterans Affairs meets after the recess it will have the opportunity to discuss this bill and the war veterans allowance bill and to question the officials with respect to their operations, and so on?

Mr. Teillet: Mr. Speaker, I can certainly give that assurance because the estimates will be before the Committee. We will certainly do everything we can to ensure that there are no restrictions placed on discussions which take place in the Committee, so that we can cover all the aspects of the bill and other matters affecting veterans.

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, in view of the fact that we have not insisted that this bill to amend the War Veterans Allowance Act be sent to the Standing Committee on Veterans Affairs, will the Minister give his assurance that when his estimates come before the Standing Committee he will consider the suggestions made tonight relating to the modifications and amendments which hon. Members think might be considered at that time, and that the Government will consider further amending the Act? Some of these suggestions might involve changes in the regulations, but would the Minister consider this at that time?

[Mr. Chatterton.]

Mr. Teillet: Mr. Speaker, I have listened this evening with a great deal of interest to the comments made by hon. Members, and I can give the assurance that very serious consideration and study will be given to the suggestions which have been made. I am sure that hon. Members will have an opportunity to discuss these suggestions again before the Standing Committee at the appropriate time.

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

VETERANS' LAND ACT

AMENDMENTS RESPECTING AUTHORITY OF DIRECTOR, HOME CONSTRUCTION ASSISTANCE, ETC.

Hon. Roger Teillet (Minister of Veterans Affairs) moved the second reading of Bill No. C-128, to amend the Veterans' Land Act.

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, my first words will be those of commendation of the staff responsible for the administration of the Veterans' Land Act. We receive complaints from time to time from all kinds of people, but I remember the words of a former Minister of Veterans Affairs who said that a mistake of the mind will not be forgiven, but that he would forgive a mistake of the heart. This has been the principle under which the members of the staff administering the act have operated, and I want to commend them.

I gave this bill some study over the week end and I commend the director of the Veterans' Land Act and his staff for accomplishing in this bill many of the things for which both the veterans and the staff had asked for.

• (8:50 p.m.)

In general terms we are in accord with the proposals of Bill C-128 although there are one or two shortcomings that we feel we should deal with in detail later. These amendments are generally speaking those sought by veterans and hon. Members of this place. The improvements by raising the maximum loans under Parts I and III for small holdings to $18,000 in the case of Part I and to $14,000 in the case of full time farmers are generally acceptable. Some may say that the requirement of $2,600 as the maximum advance on $18,000 is a little high, but I do not think too many people would object to it. We are encouraged by the proposal and will make

certain suggestions to the Government when we come to a detailed consideration.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, the Members of this party support the principle and purpose of this bill and realize that a number of the suggested amendments have been suggested to the Cabinet by veterans organizations and to Members of the Standing Committee on Veterans Affairs, and that other amendments are the result of experience gained by officials administering the Act to date.

There has been a great amount of improvement in this type of legislation since the Soldier Settlement Act adopted after the first world war and the Canadian Farm Loans Act which followed that. I remember being a member of the Great War Veterans Association committee, which made recommendations for the amendment of the Soldier Settlement Act years ago, and later as a member of the Legion committee which made proposals which led to the adoption of what we now call the Veterans' Land Act.

I was also a member of the Standing Committee on Veterans Affairs in 1945 when this legislation was first presented and know that it was drawn largely on the basis of experience of officials of the Soldier Settlement Board and the Canadian Farm Loans Act, as well as on the basis of the experience of the veterans themselves as represented by resolutions and briefs presented by veterans organizations.

It is quite true to say that this Veterans' Land Act legislation has been successful throughout the years, and I think it has been successful because of the fact that there has been co-operation between governments of the day, veterans organizations and officials, and veterans directly concerned. A great deal of credit is due Brigadier Rutherford, who was the former head of that Board, and who laid the foundation for supervision of farm credit in Canada. This principle was later adopted by the Farm Credit Corporation.

In that connection I should like to quote briefly from the *Family Herald*. This is not a magazine that is read by intellectuals, but generally by the farming population of Canada. Its editor, Mr. Cram, is interested in this legislation and generally in all aspects of farm legislation. This is what he had to say recently:

> There are no statistics to show how many farmers there are in Canada today whose hopes of land ownership had been blighted by the depression of the thirties, then sidetracked by their service in World War II, finally to see those hopes come to fruition under VLA loans. Their numbers are undoubtedly legion.
>
> Apart from the provision of those individual opportunities the legacy which VLA leaves to Canadian agriculture will be a quarter century of practical, pragmatic administration of farm credit problems. Guided by some of the mistakes and misfortunes of its post-World War I predecessor, the Soldier Settlement Board, VLA was able to develop a program of assistance better tailored to the individual veterans capabilities and requirements.
>
> On at least three major counts, VLA deserves special commendation. First, its program possessed the needed flexibility to develop with the changing tempo of Canadian farming. The somewhat modest loan limits established in the immediate post-war years were gradually extended as modern agricultural techniques began to demand larger and larger amounts of capital.

That is what this bill recognizes.

> Second, from its very inception to the present time, VLA gave recognition to the needs of those veterans whose needs were so difficult to categorize: the smallholder, the part time farmer.

I am very glad to see that this is recognized because I have always maintained that there is a great place for smallholders and part-time farmers in this country. Many of these people supplement their income in this way. Very often they operate recreational facilities, such as small hotels or tourist accommodation resorts. For that reason I am pleased by this provision.

> At no time in its history was VLA unduly swayed by economic planning which overlooked individual hopes or ambitions. Indeed, roughly half of the loans approved were for smallholders. In so doing, VLA recognized part-time farming as an economic fact and as a way of life which many veterans wanted and were capable of achieving.

There is no doubt about it. The annual reports of the Department show that they have been most successful in this respect.

> Finally, years before anyone dreamed up the term, "supervised credit" VLA fieldmen were offering guidance and management advice to farming veterans. It was an approach which reflected the philosophy of VLA director Tom Rutherford and fortunately it followed him to the more liberally endowed Farm Credit Corporation.

He goes on and makes some further complimentary remarks about the work of the officials involved in the administration of this legislation.

I could not resist the opportunity of placing that quotation on the record because I believe it is only right to give credit where we think credit is due.

I take this opportunity to refer to the work of the officials of the VLA in relation to projects which are being undertaken under

the Columbia River Treaty and I am glad to see the Acting Prime Minister (Mr. Martin) in the House this evening to hear my plea on behalf of some of the veterans I have the honour to represent.

Since the passing of this treaty, one of the co-chairmen of that hydraheaded monster, known as the B.C. Hydro and Power Authority, has been tramping around to every organization in British Columbia which would listen to him stating how generously everybody was going to be treated. I may say that that has not been the case as far as a number of persons I have the honour to represent, including veterans.

Today I received a letter in this vein from a man affected by this proposal. Inevitably these people who write me have been on the land for 50 or 60 years and are usually over 70 years of age. Inevitably I write back and tell them to stand firm and to turn down every offer they get until they feel they have received justice. I do so because I know the hydro people are very sensitive to public opinion, and know that veterans stand a good chance of getting a reasonable offer if they stand firm.

Quite recently I was very pleased to learn that one veteran, whose case I brought to the attention of the Minister, received a very satisfactory settlement. This case involved some very minor matters, but I give the Minister full credit in this regard.

I was very pleased to hear that another veteran who wrote me had accepted my advice to stand firm, had the courage to do so and received recently an offer of $4,000 more than the original offer, with the right to retain two thirds of the property which was originally intended to be taken over.

Another chap wrote me from Renata, British Columbia, whom I have known for 40 years and who, by the way, is over 70 years of age, stating that he had received an offer from the British Columbia Hydro Evaluation Committee. I wrote him giving him the same advice, to stand firm.

Mr. Fairweather: You sound like Ann Landers.

Mr. Herridge: I was pleased to give him that advice, and have since learned that his first offer of $14,000 was increased by some $4,500.

• (9:00 p.m.)

Now, I want to mention that under this Act the advisers only have the right to deal with veterans officially who have purchased under the Veterans' Land Act. They can give advice to them. I appreciate, however, that the Minister has been kind enough to tell them to call on other veterans who are not under the Veterans' Land Act and advise and assist them. The officials have gone around advising them as to their circumstances, and so on. I want to say I appreciate the fact the Minister takes that stand, and the veterans I have the honour to represent appreciate the work that has been done by the officials in this respect, so far as Veterans' Land Act holders and veterans in general are concerned. I hope the Minister keeps up the good work and when he visits the Kootenays, as I understand he will on July 7, I hope he will tell them he is right behind them and willing to do all he can to see that they get justice.

I have another matter to bring to the attention of the House before I continue my remarks. Some of these former soldiers do not swallow everything that is told to them. One of them wrote me recently asking how income tax applied if he accepted an offer for his property from the B.C. Hydro Power Authority. I wrote to the Minister of National Revenue asking him to give me some information on this subject and the Minister replied at considerable length. I want to quote his letter because putting it on *Hansard* is the easiest way of putting it in the hands of some 500 people who are interested in this subject.

Mr. Fairweather: I knew there was some motive in all this letter writing.

Mr. Herridge: The hon. Member says I have a motive here. I am standing up for the rights of the people I have the honour to represent, and I have already made a public announcement as to what I intend to do in the near future. I quote the Minister's reply:

Dear Mr. Herridge:

I am pleased to answer your letter of the 10th June addressed to Mr. H. H. Milburn of the Taxation Division. You attached a copy of the letter addressed to you by Mr. Chris Spicer of Nakusp, B.C.

Mr. Spicer is concerned that the compensation received by persons who will be displaced by the construction of the High Arrow Dam from the B.C. Hydro and Power Authority may be subject to income tax.

In the usual course, it is quite certain that the assessors from the Taxation Division will have regard to these compensation payments to ensure that any resulting tax is paid as required by the statute. The statute is complex and its application may vary depending on the particular circumstances of the taxpayer, the nature of the property and of its use by such taxpayer, and the basis on which the actual compensation has been determined. For instance, it will make a difference whether the property was held to produce income

from a business, to produce rental income, as stock-in-trade, or solely for personal use.

In such circumstances, it is risky to generalize but it may be helpful to have the following general comments which would be applicable when a person receives compensation for property taken by expropriation:

1. the compensation will be regarded as being for the physical assets expropriated even though consideration was given to intangibles, loss of income, etc., in arriving at the final compensation figure;

2. where the physical assets include depreciable property a reasonable portion of the compensation will be considered as proceeds of disposition of such depreciable property and, in some cases, will result in recapture of all or part of the capital cost allowance previously claimed on such depreciable property;

3. where the physical assets include stock-in-trade (such as land of a dealer in real estate) a reasonable part of the compensation that would relate to such stock in trade would be included in income, and

4. in some cases an amount will be paid in addition to the compensation to cover interest from the date the compensation is determined to the payment date. Such interest, when received, would be income subject to tax.

I am sorry that I cannot be more explicit but the provisions of the Income Tax Act cover such a variety of circumstances that almost every case must be considered on its own merit.

Yours truly,

E. J. Benson,
Minister of National Revenue.

I was glad the Minister went to such pains to write me at this length. I have read the letter into the record so it will be a matter of record. I urge the Minister to advise his officials to warn every veteran who has settled under the Veterans' Land Act, or any other veteran, to inquire of the Income Tax Department what income tax they may be liable to pay before they accept any final offer from the B.C. Power Authority. I am sure they would be willing to do this. I have mentioned these facts because I am interested in doing what I can on behalf of the veterans I have the honour to represent. I want to mention that other Members in the House should realize that when you get justice for a veteran who has settled under the Veterans' Land Act or when you get justice for any veteran as a result of co-operation with the Department of Veterans Affairs, you are also laying the foundation for justice for all the people who will be subject to dispossession as a result of the projects under the Columbia River Treaty.

I want to thank the Minister again for what has been done in this respect and I trust his officials will continue to do all they can to help these men. All they are asking is fair and reasonable compensation for the purchase or expropriation of land which they have spent the greater part of their lives in clearing, for planting trees or general farming. With these few remarks, I will resume my seat and I apologize for taking a little longer than is usual in these rather exhausting circumstances.

Hon. J. A. MacLean (Queens): I just want to be sure that the hon. Member who has just spoken wants to be reported in a way which he would not perhaps wish to have stand on the record. I understood him to say that the *Family Herald* was not read by intellectuals but it was read by farmers, implying that in many cases these are not the same people. I think he would agree with me that some of the great intellects in the country belong to farmers. Perhaps he used it in the sense the word is beginning to acquire now, namely that an intellectual is one who is rather a self-appointed, opinionated person who tells other people what they should do. If that is his intention, then I would agree with him.

Mr. Herridge: I am glad the hon. gentleman raised the question. In case I would be misunderstood, I should have said, usually not read by the so-called intellectual elite.

Mr. H. A. Olson (Medicine Hat): We in this party generally support the many amendments that are provided in Bill No. C-128 concerning the Veterans' Land Act. We know that there are provisions in the bill before us to increase the limits of the loans available to veterans under one section from $12,000 to $18,000 and another section from $12,000 to $20,000. So far as we are concerned this just gives those people who are financing under the Veterans' Land Act the same kind of justice as has been provided now under the Farm Credit Corporation and Farm Improvement Loans Acts. We know also, Mr. Speaker, that there is a provision for varying the terms of repayment and that the director of the Veterans' Land Act shall have authority, at his discretion, to vary the terms of repayment from time to time.

• (9:10 p.m.)

I think, Mr. Speaker, that this is a provision that should be in the Veterans' Land Act. It should be included also in several other measures that are on the federal statute books. I say that because during the 30 year period for which these loans were originally advanced there could be years when a veteran is unable to meet his payments on principal and interest, or generally to amortize his loan. Certainly if there is some way to defer or

postpone these repayments during a particularly hard year it will save the farm unit, save the veteran from disaster, and maintain the value of the farm unit because an experienced man will be continuing its operation. It is far more satisfactory to the department, to the veteran and to all involved if there is provision to get over these difficult years without loading the veteran up with substantially increased payments the following year, and we note with pleasure that there is this kind of provision in the bill.

There is also provision for extending the use which can be made of loans, something which will be generally useful. But we expect the Minister and the department to be careful in extending their use for purposes other than farm units because we do not want the intent of the act to be abused. However, there are many cases in which some supplementary enterprise could help a veteran meet the cost of living.

The bill also provides that the director may sell for something other than cash property that comes to him. This is a tremendous improvement, because in many cases when sold for cash the price is substantially less than could be obtained otherwise, and the veteran who has equity in the unit will get more from the proceeds of the resale if a prospective purchaser can work out a financing arrangement, rather than paying fully in cash.

There is also provision for consolidation of debt owed to the director into one contract, if a number of contracts are involved. This is also an improvement. We in this party generally support these provisions in the bill.

[*Translation*]

Mr. Plourde: Mr. Speaker, I would have liked to say a word on Bill No. C-128, but since we have only the English text, I shall do so the next time around, when it comes up for third reading.

Until then, I hope the minister will try to provide a French translation of the bill for the benefit of the committee which will sit at eleven o'clock to-morrow morning, in order that I may be able to study it in advance.

That is all I have to say this evening on the matter.

[*English*]

Mr. A. D. Alkenbrack (Prince Edward-Lennox): Mr. Speaker, ordinarily we in this party would ask that the bill be studied by the Veterans Affairs Committee, but since many veterans are anxiously awaiting its passage we in Her Majesty's Loyal Opposition wish to see it passed as quickly as possible. The Minister promised last September that this legislation would be introduced by Christmas. His promise has been of absolutely no use to the veterans of Canada and to the vital work to be done under the Veterans' Land Act.

On behalf of more than one of my constituents I wish to say they complain that under the Act, if they own, shall we say, a small house and lot in a suburban location, and if they wish to buy a little more land in order to raise garden produce, poultry, or engage in a limited form of animal husbandry, they are impeded from getting credit under the Act. I do not think it is against the law for a veteran to borrow money to buy a small lot for this purpose across the road from his residence, but at present it is against the rules, since it is not contiguous to his holding.

I have already requested that one veteran in my home town be allowed to do so, but credit has been refused. I have spoken to the departmental field official, and now I bring this matter to the Minister's attention in the hope that he will give it the consideration it merits.

I wish to raise another matter regarding the pensioning of the widows of veterans but I am afraid if I do so you, Mr. Speaker, will rule me out of order at this time. Therefore I shall raise it at the next convenient occasion.

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

On clause 1.

• (9:20 p.m.)

[*Translation*]

Mr. Grégoire: Mr. Chairman, before proceeding with clause 1, I should like to point out that we did not receive the French copy of the bill and that this is most inconvenient. On the other hand, we realize that the minister wants to have this bill passed as soon as possible and we have no objection to that. However, could the minister assure us that we will have the French copy of the bill before third reading? If not, we will not agree blindly to all the provisions of this bill if we do not have the French version to consider them. Is the minister prepared to guarantee that the bill will not be read for the third time before we receive the French version?

Mr. Teillet: Under the circumstances, I have to accede to the request of the hon. member and postpone third reading of the bill. I was told that the French version was not ready but that we would get it tomorrow. If we could agree on third reading tomorrow afternoon, it would be satisfactory.

Mr. Grégoire: Could I ask the minister to take this opportunity to find out why this bill has not yet been translated? He would thus perhaps find out why French copies are always late. Perhaps the minister could obtain this information and tell us the reason for such delays.

Mr. Teillet: Mr. Chairman, I certainly intend to.

[*English*]

Clause agreed to.

On clause 2.

Mr. Nesbitt: Could the Minister tell us whether this covers the situation which arises frequently where a veteran obtains a loan for the purpose of building a home. Before final approval is given by the director the building contractor finds he has to have some of the material approved by the appropriate authorities, by Central Mortgage and Housing Corporation, and approval is obtained from them before it is obtained from the director. In the meantime, debts are incurred and in a number of cases this causes a problem as a result of misunderstanding on the part of the veteran and the contractor. This clause seems likely to rectify such a situation and I am wondering whether the Minister can assure us that this is the case.

Mr. Teillet: I am informed that this is one of the purposes of the clause, among others.

Mr. Harkness: As I read this clause I take it that should a veteran vacate his interest completely the director would be empowered when determining the amount of money which will be paid to the veteran on account of his interest in the land to take into consideration the value of the improvements which the veteran may have made during the term of his occupancy. Who will determine the value of these improvements for the purpose of arriving at the final payment to be made to the veteran?

Mr. Teillet: The decision as to the value will be based on outstanding bills and the assessment by the director and his staff. Perhaps I could cite an example of what is intended here. A veteran may suddenly run short of water for his livestock and have to dig a well costing $1,000. Previously this cost could not have been incorporated into the debt because prior approval had not been given. The director now purchases the improvement by paying off the debt. The debt is then re-amortized in keeping with the veteran's ability to meet the payments.

Mr. Harkness: Is it not the purpose of this clause to look after the case where a veteran decides to turn back the land to the director, in which case the value the veteran has acquired in this land will be refunded him, taking into account any improvements which may have been made?

Mr. Teillet: In the majority of such cases this land would be posted and public tenders would be called. So the value of the property would be decided by the purchase price which could be obtained.

Mr. Harkness: But this clause says: "Where the director acquires land and improvements thereon from a veteran—". Surely this must take into consideration the case of a veteran who gives up his land to the director and is paid off taking into account whatever equity he has in the land plus the improvements.

Mr. Teillet: The clause is intended to convey that the director when acquiring land, that is, for the purpose of establishing a veteran on land—

Mr. Harkness: Yes, but the language of the bill is "Where the director acquires land and improvements thereon from a veteran—" it does not say "for a veteran". Therefore the only meaning I can get from it is that this is intended to cover the case where a veteran liquidates his contract with the director. Provision is being made so that his equity can be paid to him.

Mr. Teillet: It might clear up this difficulty if I restate what I said a few moments ago. The position technically is that the director purchases the improvement from the veteran by paying off the debt. It then becomes the property of the director. But it is still for the benefit of the established veteran.

Mr. Harkness: Then this has nothing to do with a veteran who terminates his contract with the department or with the director. It is intended to cover cases in which a veteran acquires more land or buys improvements. The necessary payments could then be consolidated into the debt.

Mr. Teillet: That is right.

Mr. MacInnis: I should like to ask the Minister whether he means that the resale value of the property less the amount of the equity that the department has acquired would be the price which a veteran selling the property or giving it up would expect to receive from the transaction.

Mr. Teillet: The best way of answering that question would be to say that on the disposal of a property to the public a veteran would receive the difference between the indebtedness to the director and the amount of the purchase price, and the amount of the sale price, if any.

Mr. Nesbitt: Another brief question to the Minister. When will these amendments come into effect, and are they to be retroactive in nature? Will these provisions go back six months or a year?

Mr. Teillet: These provisions will come into effect on Royal Assent being given, without any retroactive feature.

Mr. Nesbitt: So the director will not be in a position to help out with respect to any difficulties which may presently exist.

Mr. Teillet: I did not mean they would not be retroactive in that sense. Improvements which have been acquired by the veteran and which are presently part of his indebtedness can now be acquired by the director.

• (9:30 p.m.)

Mr. Chatterton: Mr. Chairman, I have just one question arising from the Minister's reply. I knew that he did not mean it would not be retroactive. But let us say that the veteran who has now been established under the V.L.A. has incurred debts. He cannot of course encumber the title because the title lies with the director; but let us say he has incurred debts for certain improvements to his property. Will he be entitled to apply for an additional loan to pay off those debts, provided of course they add an equivalent value to the property?

Mr. Teillet: Yes, Mr. Chairman. That was in essence the answer I was attempting to give to the hon. Member a moment ago. That will be possible.

Clause agreed to.

On clause 3.

Mr. Harkness: Mr. Chairman, is the purpose of this clause to enable a veteran who has, say, had a small holding, a housing unit or a full time farm for at least ten years, to lease it under any terms that he finds advantageous to him without having to secure the permission of the director? Is he empowered to do that under this clause?

Mr. Teillet: The veteran can make the arrangements, but he must have the permission of the director.

Mr. Harkness: I am sorry, Mr. Chairman, but I did not hear that answer.

Mr. Teillet: The veteran can make his own arrangements with regard to leasing, but he must have the permission of the director as long as the title is vested in the director of the V.L.A.

Mr. MacInnis: Mr. Chairman, I have a further question along the lines of the question asked by the hon. Member for Calgary South. That is only applicable if the veteran is holding an agreement with the V.L.A. in excess of ten years. If he is working under a 20-year agreement, that would apply; but if he is only under a ten-year agreement he is free to do what he wishes.

Mr. Teillet: After the ten years, provided he has repaid his indebtedness to his director, he is of course absolutely free to do as he wishes, because he is in the same position as any other man who owns his land outright.

Mr. Harkness: What I want to get at particularly is whether this permission would apply to a leasing of the property. The original provisions under the Veterans' Land Act were, particularly as far as a regular farm was concerned, that the veteran had to continue operating that farm and continue in residence on it. I take it that this amendment is designed to relax that provision and permit the veteran who has lived on and operated his farm for ten years to lease it to somebody if he finds it advantageous to do so. Does this also apply to a small holding and a housing unit which he has secured under the Veterans' Land Act?

Mr. Teillet: I am given to understand that this would apply after the ten-year period. When a veteran has gone absent for any purpose in the past, the V.L.A. has been responsible for all leasing arrangements of the property. Now this will be the responsibility of the veteran after he has earned his grant; that is, after the ten years or after he has acquired title.

Mr. Harkness: This applies no matter what type of land the veteran secured, whether it

was just a housing unit, a small holding or a full time farm?

Mr. Teillet: That is right.

Clause agreed to.

On clause 4.

Mr. Olson: Mr. Chairman, on clause 4, subclause (4), the purpose of this amendment is to extend the purposes for which the proceeds of sale of livestock or farm equipment may be used; but it does not really, if you read the subclause, indicate what those extensions are. I wonder whether the Minister could give us some explanation of what is the intended use of these extensions for the proceeds of sale of livestock or farm equipment.

Mr. Teillet: Mr. Chairman, the purpose of this clause is to permit a veteran to use moneys from proceeds of sales of this kind to retire debts for which the director himself has no responsibility—that is outside debts—where it is deemed wise and proper.

Mr. Olson: One other question, Mr. Chairman. Would the veteran, for this purpose, have to obtain permission from the director to use the funds for retiring these debts, or would passing this particular amendment to the Act give him the power to make this decision without the permission of the director?

Mr. Teillet: No, Mr. Chairman; he would require the permission of the director in any event.

Clause agreed to.

Clauses 5 and 6 agreed to.

On clause 7.

Mr. MacRae: Mr. Chairman, I wanted to ask the Minister about clause 7, section 16A of the Act. My question is motivated by a case which occurred within the last two or three days. A young veteran who served in World War II died suddenly owing the director $2,600. His widow was under the impression that he was insured by the director under section 16A as it stood before this bill was brought in. I would like to ask the Minister if he could advise us whether this widow is covered in this particular case; that is, whether she actually owes $2,600. She is a widow with two small children and it would be practically impossible for her to make the payments without the father and breadwinner. I know that the Minister would perhaps have to consult his officials here because this is fairly technical, but can he see any recourse for this particular widow under the new section 16A? Will she be covered for this amount? It is a very distressing case, I would point out to the Minister. The period of retroactivity which he mentioned a moment ago might cover this case; I do not know. But this is fairly technical language and perhaps the officials might advise the Minister and he could give an answer.

Mr. Teillet: Mr. Chairman, the purpose of this clause is as follows. Because of age and increased loan amounts, the cost of insurance would be substantial if coverage of the entire amount of the loan was mandatory. There is merit in covering the breadwinner if the veteran is a woman. Premiums on the arrears will now be paid from the Veterans' Land Act fund and, as before, recovered from the veteran. I could not at this moment give the hon. Member any satisfactory answer. I have serious doubts that there is any satisfactory answer, but if he would bring the case to the attention of the director of the Veterans' Land Act I am sure he will look into and do whatever is possible for him to do.

Mr. MacRae: Up to this point there has been no compulsion on the part of the veteran who is holding land under the Veterans' Land Act to have insurance which would cover him in the event of his death. There was nothing there to this point that made it mandatory, in other words.

Mr. Teillet: No, Mr. Chairman, this was voluntary.

Clause agreed to.

On clause 8.

Mr. Harkness: Mr. Chairman, with regard to clause 8, if I am not completely mistaken, when a veteran was in default as far as taxes were concerned, the director paid the taxes. This amount would then be part of the amount owed by the veteran to the director.

• (9:40 p.m.)

As far as I can see, the only change made here is that provision is made for the director to enter into an agreement with the veteran, which agreement presumably fixes the rate of interest on the amount the director has paid on the taxes in default, or if no such agreement is entered into the veteran will then automatically be charged the rate of 5 per cent. Under the situation presently prevailing, when the veteran is in default of taxes the director of the Veterans' Land Act

pays the taxes owing, which then become part of the debt of the veteran concerned to the director, he being liable for interest at only 3 per cent, which was the rate at which most of these Veterans' Land Act contracts were entered into. In other words, this is a provision by which the veteran can be charged 2 per cent or more beyond that which he is charged at the present time.

Mr. Teillet: Mr. Chairman, I am informed that most of these charges are now 5 per cent. However, up until now it was not possible for the director to pay taxes or assessments until the arrears reached the stage where they became a matter of sale because of taxes owing. This is to enable the director to enter into an arrangement with a veteran at any time in order to look after payment of his taxes.

Mr. Harkness: But is my basic contention nevertheless not the fact, namely that up until the time the veteran became in default of taxes the director paid the taxes and the amount so paid became part of the veteran's debt to the director, and he paid interest at the rate of 3 per cent, which was the normal rate prevailing when most of these contracts were entered into? Whereas now the veteran pays 5 per cent or more.

Mr. Teillet: This is correct. The amount was 3½ per cent, but in a number of these cases the rate is now 5 per cent after the initial amount of $6,000.

Mr. Harkness: The point I should like to make is this. Would it not be more equitable to continue the rate of interest at the rate which the veteran paid when he entered into the agreement when, owing to unfortunate circumstances, he fell into default in his taxes, instead of increasing the burden upon him, which in most cases I think the veteran would find extremely difficult to discharge in any event?

Mr. Teillet: I am informed there was an amendment in 1959 to enable the director to charge 5 per cent on overdue balances of unpaid taxes; so really there is no change in the rate effected by this clause.

Clause agreed to.

On clause 9—*Disposal of property.*

Mr. Olson: Mr. Chairman, this clause provides authority for the director to sell property of a veteran on terms other than cash. I would ask the Minister whether under this provision the director will be able to acquire property given to him by reason of default, refinancing it under the provisions of the Veterans' Land Act to another veteran. Or is it necessary that all these pieces of property go to public tender first, so that the veteran in default may be able to regain his full equity?

The other point is that, even if the property did go to public tender, would it be possible for some other veteran to acquire the property by public tender and have the financing done under the provisions of the V.L.A.?

Mr. Teillet: First of all, I must say that the director has been disposing of property in this way by Order in Council. He will now be permitted to do this under the Act. It is always permissible at any time for the director, when he comes into possession of the property of a veteran in default, to establish another veteran on the property. There is no requirement that he must dispose of the property otherwise. It is then the duty of the director to do whatever he can to protect the interests of both veterans involved—the one who has failed in his establishment and the one being re-established. But the interest of the veteran is the primary concern in all these cases on either side.

Clause agreed to.

On clause 10—*Terminal dates of sale, advance, loan or grant.*

Mr. Chatterton: Mr. Chairman, this is one occasion on which I want to criticize the Minister and his staff for an omission in not making any amendment to section 25A of the existing Act, which says, in effect, that any veteran may receive assistance if he has not qualified by October 31, 1968. I find no fault with the time limitation for application for assistance by new veterans up to March 31, 1974, but the Minister will find himself in the position, come 1968, that veterans will have had their qualification certificates cancelled unilaterally by the Government without consultation, even without the veterans themselves knowing about it. Therefore I warn the Minister now that when 1968 comes along the Government will have to be aware of the many cases where veterans are not qualified, in spite of the fact that they have no knowledge of their disqualification. I know there will be another five years to run but, come 1968, the Minister will run into trouble, so he might as well be forewarned about it.

Mr. Teillet: I will make a note of that, Mr. Chairman.

Clauses 11 to 13 inclusive agreed to.

Clause agreed to.

On clause 14.

Mr. Harkness: Could the Minister explain how this clause will improve the position of the Indian veteran in securing a loan under the Veterans' Land Act?

Mr. Teillet: Mr. Chairman, up until now it has not been possible for the director to purchase these lands with buildings on them. This clause will enable the director to purchase buildings which are situate on these lands. That is, he will be able to purchase the buildings without purchasing the lands, in the case of provincial lands or lands belonging to the reservation. The director would own only the buildings, not the lands themselves.

Mr. Harkness: Has not the situation always been, and does it not continue to be, that as far as the Indian veteran is concerned, in order for him to secure any advantage under the Veterans' Land Act he would have to secure an allocation of lands on his reserve? I do not think there has ever been any question about the right to secure a loan to purchase whatever houses or buildings were on the lands—in other words, improvements to the land. However, the land itself could not be purchased because it was part of the reserve.

Mr. Teillet: I am informed that this is tidying up. The hon. Member is perfectly correct that this was being done, but the legality of it has been questioned. Therefore this clause will tidy up the section of the Act and permit the director to operate with a clearer conscience

Clause agreed to.

Clauses 15, 16 and 17 agreed to.

On clause 18.

Mr. Harkness: Mr. Chairman, just one question on this clause. Is any age limit laid down as far as veterans are concerned to enable them to get these various loans? There was always an age limit to this bill. Does that age limit still apply or does this relaxation with regard to the amount of the loan not take into consideration the age limit?

• (9:50 p.m.)

Mr. Teillet: No, there is no age limit, Mr. Chairman. Apparently there was an age limit, but this is a matter which is left largely in the hands of the director and his staff to judge, in view of the circumstances of the veteran. There is no age limit provided for in the Act.

Mr. Harkness: There was an age limit, and it is my belief that there still is an age limit, at least in some way, in respect of a veteran obtaining settlement under the Veterans' Land Act. I am wondering whether a veteran aged 70 could be able to take advantage of this increased credit available, or whether there is some age limit.

Mr. Teillet: This is a matter which is the subject of decision by the director and his staff. They must exercise their own judgment in a case such as that illustrated by the hon. Member. There is no age limit in the Act, and these things must be a matter of judgment.

Clause agreed to.

Clauses 19, 20 and 21 agreed to.

On clause 22—*Interest rates.*

Mr. Chatterton: Mr. Chairman, I do not wish to take up much time, but it is in respect of clause 22 that I should like to make my most serious criticism of these amendments to the Veterans' Land Act.

This clause states that the interest rates on loans made under Part III up to $20,000 shall remain as they are now, but on loans above $20,000 to $40,000 they shall be set by the Governor in Council. Under the Farm Credit Act at the present time the Governor in Council sets the interest rates on loans at 6⅜ per cent. In view of the fact that we are dealing with veterans, with whom we have always been generous, we should provide a maximum interest rate in respect of these loans. I do not suggest that the Government should subsidize veterans by way of a low interest rate on loans above $20,000, but I do suggest that the Minister should seriously consider, before we give third reading to this proposal which I understand will be postponed until the French version of the bill is made available, to setting the maximum interest rate on loans above $20,000 as the cost of long term money to the Government, plus one eighth of 1 per cent to cover handling costs. This would mean that the Government would not be financing these loans out of its revenue. While it is true that the Farm Credit Corporation is a Crown corporation which must pay its own expenses out of revenue, that is not the case with the Veterans' Land Act. There is ample justification for the Minister setting the maximum interest rate on these increased loans at the cost of long term money plus one eighth of

1 per cent to cover the cost of handling the money.

Mr. Teillet: Perhaps I can assure the hon. Member by stating that the rate contemplated herein is almost exactly that suggested by the hon. Member. The hon. Member suggested the cost of long term money plus one eighth of 1 per cent. The actual figure is closer to one quarter of 1 per cent, so in effect I think we are carrying out the suggestion made by the hon. Member.

Mr. Chatterton: I am afraid I cannot agree with that suggestion. The Governor in Council under the provisions of the Farm Credit Act sets the rate at 6⅜ per cent in spite of the fact that during the last five years the cost of long term money to the Government has only been 5⅛ per cent. Perhaps the Minister would undertake that the interest rate to be set by the Governor in Council will not be more than one quarter of 1 per cent, or one eighth of 1 per cent over and above the cost of long term money to the Government. Even that small obligation on the part of the Government in respect of this interest rate would be helpful.

Clause agreed to.

Title agreed to.

Bill reported.

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

Some hon. Members: Next sitting.

BUSINESS OF THE HOUSE

Mr. McIlraith: Mr. Speaker, I wonder whether the House would consider sitting a few minutes past ten o'clock in order to deal with the Judges Act legislation and the resolution preceding the bill to provide for the payment of development grants for the establishment of facilities in respect of designated areas. In that way hon. Members would have an opportunity to peruse the bill and be in a position to debate it tomorrow on second reading.

Mr. Starr: Mr. Speaker, that suggestion is agreeable to the Members of this party and I suggest that we sit until eleven o'clock.

Some hon. Members: Agreed.

Mr. Howard: Mr. Speaker, I do not see how we can do that, in view of the fact that it is now past ten o'clock.

[Mr. Chatterton.]

Mr. Deputy Speaker: Is it agreed that we proceed as suggested by the President of the Privy Council?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Starr: Mr. Speaker, the Members now opposing this suggestion have just come into the Chamber.

Mr. McIlraith: Mr. Speaker, is there any part of the suggestion I made that is not agreeable to hon. Members? I should like to know the feeling of the House in this regard. It seems to me that it is in the common interest of all hon. Members that we proceed with at least some of these matters so that hon. Members will be in a position to debate the proposals tomorrow.

Mr. Douglas: Mr. Speaker, it seems to me that if the Minister wanted to proceed in this way, this should have been discussed among the House Leaders of the various parties. The Members of this party feel that we have had a fairly long day and that there is no reason we should not call it ten o'clock, unless some previous arrangement or agreement has been made in respect of certain legislation.

Some hon. Members: Oh, oh.

Mr. McIlraith: Mr. Speaker, the hon. Member has made a good point. There has been virtually a continuous discussion among House Leaders in this regard in an effort to bring this part of our business to a conclusion so that a recess can be taken shortly. Many adjustments have been made throughout today and this evening, and had the House Leaders found themselves in a position to make firm commitments I am sure that I could have made a much more tidy announcement. However, I hesitate to make any announcement which is in the nature of a request to arbitrarily impose an order on the House. For that reason I thought I should make this request in the presence of all hon. Members in order that they could reach an appropriate decision.

• (10:00 p.m.)

Mr. Knowles: What the Minister has now said is a perfectly fair statement. There have been discussions between the Minister and various Members regarding the two resolutions that appeared today as Government notices of motion and also regarding the resolution respecting the Judges Act. There are Members of this party who do not wish to proceed after ten o'clock with any one of the three.

Mr. Deputy Speaker: Apparently there is not unanimous consent to sit after ten o'clock. Would the House Leader care to make a statement about the business for tomorrow?

Mr. Starr: Make a motion.

Mr. McIlraith: I cannot make a motion under the new rules because there is no business before the House.

The difficulty about announcing the sequence of business for tomorrow is precisely the difficulty with which we have been faced in the last few minutes. I should like to consult with the House Leaders as to what items they want to call first, so we can get on with the program tomorrow. Perhaps if I may be a bit optimistic I would say we might conclude tomorrow night. I prefer, in the light of that, not to give the sequence of business for tomorrow.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the House under Provisional Standing Order 39A deemed to have been moved.

ADMINISTRATION OF JUSTICE—JOHN DARRELL PETERS—ALLEGED UNFAIRNESS IN SENTENCE

Mr. Frank Howard (Skeena): After all those moans and groans, I merely want to take up the case of a poor individual who is spending 20 years of his life in the penitentiary, and I think unjustly so. The other day I asked the Minister of Justice (Mr. Favreau) to look into the case of one John Darrell Peters, an inmate of a B.C. penitentiary, with respect to seeing whether or not he could order a new trial. The answer I got from the Minister was that a former Minister, Hon. Mr. Fulton, had reviewed the case quite thoroughly and come to the conclusion that there was no chance of a retrial and that the present Minister agreed with that decision, a sort of Fulton-Favreau formula in miniature.

Now, Mr. Peters has not been a model inmate in a penitentiary, I will admit that, from the outset. By "model" I mean he has not been docile or malleable to the rules inside the penitentiary. I submit that part of the reason for his attitude toward officialdom within the prison has been the treatment he received at the hands of the court and at the hands of the lawyer he retained. He was tried by one Magistrate Thoburn and sentenced to 20 years for a variety of offences. Mr. Peters has sworn a number of affidavits, which I hope I will have time to read into the record in order to put his case from his point of view. In one of those sworn on June 17, 1965 he says, and I quote:

> That I, in fact, asked Magistrate Thoburn for a remand to "obtain and instruct counsel", and was refused,
>
> That the hearing before Magistrate Thoburn was, to my knowledge, a session of "closed court",
>
> That I was in a state of shock, and did not understand the import of the proceedings before Magistrate Thoburn,
>
> That Magistrate Thoburn did not in any manner instruct me as to my right to obtain counsel, nor the seriousness of the said charges; and never advised me in any manner whatsoever,
>
> That I was held without the benefit of help or assistance in the entire time of the proceedings before Magistrate Thoburn; and was in fact denied the one phone call, as prescribed by law; and was hindered and restrained from contacting help or assistance in all respects.

● (10:10 p.m.)

I do not want to take the time to read all the affidavit but just the salient parts from it. He says in another affidavit:

> That in a letter, to C. B. Saunders, Esq. (Assistant Registrar, Supreme Court of Ontario, Osgoode Hall, Toronto, Ontario), dated the 25th day of April; and signed C. A. Thoburn, Magistrate; in respect to the said application for appeal, he delivered, or caused to be delivered, the following information, which was false, and caused the informant to suffer a denial of justice, namely—
>
> Both accused were asked if they had counsel, to which they replied, "... no...". They were then asked if they wished to proceed today or did they want to obtain counsel. Both said that they wanted to plead guilty "today"—to use their own expression, "...we'll go on today, we want to get it over with..."
>
> That upon examination of the Official Court Transcripts, on page 7; the only question that had been put thus far was: Clerk of the Court: How do you elect to be tried, John Darrell Peters? The Accused Peters: By the Magistrate. Clerk of the Court: Peters, how do you plead to all charges? The Accused Peters: Guilty.

There is another matter, in that there was an arrangement between himself and the police officers to plead guilty to certain charges, wipe them off the books and get a light sentence. The affidavit further reads:

> That in a letter dated October 23, 1963; To: Frank Howard, Esq., M.P. (House of Commons, Ottawa, Ontario). And signed by C. A. Thoburn, Q.C. Magistrate, said the following in part, namely—I always ask the following questions when a person is charged with a serious offence:
>
> 1. Are you prepared to proceed with your trial?
> 2. Do you wish an opportunity to retain counsel?
>
> If they say "yes" to the first and "no" to the second, I then have the man arraigned.

Then further Peters swears:

> That upon examination of the Official Court Transcripts, not one word, as set out in (3) and (5) as stated above, appears anywhere in the transcripts.

Mr. John Darrell Peters in another affidavit claims and states:

> That having filed the said form, he duly hired and paid a Toronto Barrister, and Attorney at Law, one Gary K. C. Braund, and paid the said Mr. Braund the sum of $200 to appear and argue the appeal, and to purchase the transcripts.
>
> That in a letter dated the 15th of January, 1964, directed to Professor Stuart Ryan, from the Office of the Registrar of the Court of Appeal of the Province of Ontario; and signed by Mr. J. A. Preston (Assistant Registrar) he stated in part as follows,
>
> There was no counsel on the argument of the matter; however, the application together with a report of His Worship Magistrate Thoburn, was before the members of the Court of Appeal and was considered by them before this order was made on May 26th, 1960.
>
> That after numerous complaints to Mr. Braund, on August 15th, 1960, a letter was received addressed to the Governor of the Kingston Penitentiary, that said in part the following:
>
> I am enclosing in your safe-keeping a money order in the amount of $50 to be given to John Peters... and was signed by Gary Braund.

Then, after a lot of other correspondence he finally got the remaining $150 from this lawyer, Gary Braund. I merely place these small parts of the whole case on the record to plead with the Minister to look more thoroughly into this case and give John Darrell Peters the benefit of the doubt, and give him another trial because he obviously did not receive justice at the hands of Magistrate Thoburn. He obviously was led astray by this lawyer, Gary Braund, who said he would represent him in court and in fact did not, and he had to go to great lengths in order to get his money back.

Mr. Deputy Speaker: Order. The hon. Member's time has expired.

Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice): Mr. Speaker, the document the hon. Member for Skeena (Mr. Howard) read from sounds very much like, although it may not have been identical to, an affidavit dated March 22, 1965 sworn by John Darrell Peters, and forwarded by himself to myself on that date for forwarding in due course to the Minister, so that the particular facts referred to by Mr. Peters in that affidavit would have been before the Minister most recently in his consideration of the case.

No one, Mr. Speaker, would claim that the proceedings in the courts of justice are infallible. They are like any other human endeavour; they are subject to great fallibility both as to errors of judgment and errors of fact. But I think it should be borne in mind that in so far as any case can be, the facts concerning the conviction of John Darrell Peters have been very thoroughly examined at various levels. There has been a series of applications by way of prerogative writ in this province and in British Columbia. There was the application before the Ontario Court of Appeal and there was an application for leave to appeal heard before five justices of the Supreme Court, an application which was dismissed. In addition, the former Minister of Justice, as I know personally from the volume of the files, had extensively examined the situation surrounding this case. The material referred to by the hon. Member was also received by me and was entered for consideration.

Subject to the fallibility which these proceedings inevitably risk, this particular situation has been given as full a hearing as possible. Reasonable men acting fairly have decided that no injustice was done and I therefore conclude that the suggestion that the Minister might act under section 596 either in respect of the direction of a new trial or of a hearing before the court of appeal would not be justified in the circumstances.

Motion agreed to and the House adjourned at 10.14 p.m.

HOUSE OF COMMONS

Tuesday, June 29, 1965

The House met at 2.30 p.m.

COMMITTEES OF THE HOUSE

TRANSPORT AND COMMUNICATIONS—FIRST AND SECOND REPORTS—MOTION FOR CONCURRENCE IN FIRST REPORT

[*Translation*]

Mr. J. T. Richard (Ottawa East): Mr. Speaker, I have the honour to table the first and second reports of the Standing Committee on Transport and Communications.

With the consent of the house, I intend to move that the first report only be concurred in.

[*Editor's note: The text of the said report appears in today's Votes and Proceedings.*]

[*Later:*]

Mr. Alexis Caron (Parliamentary Secretary to Postmaster General): Mr. Speaker, I cannot support the motion for concurrence in the first report of the Standing Committee on Transport and Communications, because I object to the fact that the committees sit at the same time as the house, as I did when I was in opposition.

I therefore ask that the vote be taken on division.

Mr. Réal Caouette (Villeneuve): Mr. Speaker, it does not often happen that I agree with the hon. member for Hull (Mr. Caron), but under the circumstances I fully agree with him. We do not want this report to be concurred in because we have already been blamed by the member for Saint-Maurice-Laflèche (Mr. Chrétien), who is not in the house at the present time—

Mr. Grégoire: He is never here.

Mr. Caouette: —for not attending sittings of the committee, when the committee was sitting at the same time as the house.

That is why we object to the report being now concurred in.

[*English*]

Mr. Speaker: As there is not unanimous consent I cannot at this time permit the motion.

EXTERNAL AFFAIRS—CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. John R. Matheson (Leeds) presented the second report of the Standing Committee on External Affairs, and moved that the report be concurred in.

Motion agreed to.

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

VETERANS AFFAIRS—FIRST REPORT OF STANDING COMMITTEE

Mr. James Forgie (Renfrew North) presented the first report of the Standing Committee on Veterans Affairs, and asked for unanimous consent to move that the report be concurred in.

Mr. Speaker: I understand that the House gives the hon. Member consent to present his report. Is it agreed?

Some hon. Members: Agreed.

[*Translation*]

Mr. Alexis Caron (Parliamentary Secretary to Postmaster General): Mr. Speaker, is the house prepared to concur in this report?

I should like to say once again that the committee should not be allowed to sit at the same time as the house. I was against that when I was in the opposition and I am against it now; the report will be concurred in on division, because I am against it.

[*English*]

Mr. Speaker: There is no motion before the House at the moment.

Mr. Forgie: Mr. Speaker, if the House gives consent I move, seconded by—

Mr. Speaker: Order, please. There is no motion before the House due to the lack of unanimous consent.

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

ADMINISTRATION OF JUSTICE

TABLING OF REPORT OF DORION COMMISSION

Right Hon. L. B. Pearson (Prime Minister): I wish to table two copies in English

and two copies in French of the report of the Commissioner, Hon. Frederic Dorion, Chief Justice of the Superior Court of the Province of Quebec.

Mr. Speaker, I received this report on my return from London last evening. I have been examining it with my colleagues. With the consent of the House I would like to make a short statement in connection with it, if the House would give me permission, at the end of private Members' hour at seven o'clock this evening.

Mr. Speaker: The House has heard the request of the Prime Minister. Does the House agree?

Some hon. Members: Agreed.

COMMONWEALTH CONFERENCE

TABLING OF COMMUNIQUÉ—STATEMENT BY PRIME MINISTER

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I would like to table two copies in English—I regret that it has not been possible yet to translate it into French—of a communiqué of the meeting of the Commonwealth Prime Ministers which has just concluded in London. This is a long communiqué covering a variety of subjects, because there were a variety of subjects on the agenda. I could, of course, make quite a lengthy statement on the communiqué. Perhaps it would be the wish of the Members of the House that this report appear as an appendix to *Hansard* so that all hon. Members would have an opportunity to study it. There might be an opportunity later for a discussion of the communiqué in the Committee on External Affairs or in the House.

Perhaps at this moment I could say only this, Mr. Speaker. There were two subjects which dominated the discussions. One was the proposal made by the Chairman of the Conference, the Prime Minister of the United Kingdom, on the opening day of the Conference, that the Commonwealth should choose certain of its members to initiate, if they could, by visits to the countries and the interests concerned, negotiations for a peace settlement in Viet Nam. That caused a good deal of discussion. Eventually there was agreement with regard to the personnel of the mission and the terms of reference of the mission.

I do not know whether this mission will be able to accomplish what it has in mind. It was an initiative taken by the Commonwealth, I think a valuable one and a timely one, particularly in view of the fact that it is not possible, at this time at least, for the Secretary General of the United Nations to take an initiative, or indeed any other international organization. Even if the mission itself is not able to accomplish what it hopes to accomplish, I do believe that the effort was well worth making.

The other major matter, major only in the sense that it caused a great deal of discussion and indeed some controversy, was that part of the communiqué which deals with Rhodesia. After long and very vigorous discussion the paragraphs on Rhodesia included in the communiqué were agreed to by all the members of the Commonwealth except one, who made reservation in connection with this particular section.

The importance of the Rhodesian paragraphs is that the Commonwealth members themselves, all of them without exception, came to the conclusion that there could be no final solution of this very difficult problem except on the basis of majority rule. The difference was over the timing of the processes which would lead to that final settlement. The United Kingdom Government, which have the responsibility of leading the people of Rhodesia to independence and majority rule, have accepted these principles in theory, and they have agreed—and this represents, I think, a pretty courageous advance on the part of the United Kingdom Government—if direct negotiations break down, to consider a constitutional conference, which is what the African members of the Commonwealth have been advocating.

I can only say, Mr. Speaker, that this was not only the largest of the Commonwealth Conferences, there being 21 members, but we learned at this Conference that at the next meeting, whenever it will be held, there will be four or five new Commonwealth members. It was a very difficult Conference, and in view of the difficulties and importance of the subject matters which were discussed we can take some satisfaction from the fact that this meeting was able to agree on a communiqué of this kind and, more important, was able to discuss such difficult and controversial matters in that spirit which characterizes Commonwealth meetings, even in respect to subjects on which it is not always easy and indeed is sometimes impossible to find unanimous agreement.

Mr. Speaker: Does the House give unanimous consent to the printing of the communiqué as an appendix to *Hansard*?

Some hon. Members: Agreed.

[Editor's note: For text of communiqué referred to above, see appendix.]

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I have not yet had an opportunity of reading the communiqué; the excerpts which were in the press were not complete. However, there are one or two references that I should like to make.

The first is to welcome the Prime Minister back to the House after a long and arduous meeting. No one who has participated in Prime Ministers' Commonwealth Conferences can forget that they are periods of very strenuous effort and work; and the fact that a communiqué was able to be determined upon is a further compliment to the Commonwealth and its representatives. The Prime Minister has said it was the largest Commonwealth meeting that has ever taken place. In 1957, as I recall it, there were nine members. Today there are 21, the large majority of whom are of another race, colour and religion to those ordinarily associated with the white continents.

I say at once that while the Prime Minister of the United Kingdom has spoken of the success of this Conference in rather eulogistic terms, my own feeling is that this Conference indicates once more the tremendous power of the Commonwealth and its membership in being able to achieve agreement in those larger things of life, while at the same time maintaining a sense of independence on the part of each of those who belong thereto. That it is a flexible institution is again revealed in the fact that the communiqué which has been issued illustrates that out of disagreement they have been able to arrive at a reasonable consensus.

While I did feel that in the intervening years between 1957 and 1962 there was among certain sections of the United Kingdom a diminishing belief in the mission of Commonwealth, recent events of the last session do indicate that much has been achieved. One has only to compare the meeting of the Prime Ministers with the collapse of the Algerian conference on the tenth anniversary of Bandung to realize that something of first importance to peace and the world brotherhood has been achieved by this Conference, a continuation of the results that were achieved at the previous Conferences. On the other hand, when you realize that after the war there were five white Christian nations and that today the membership of this unexplainable institution consists overwhelmingly of those of other religious faiths, the ability to bring them together under the Crown, whether as monarchies or in the capacity of heads of the Commonwealth, is a triumph of statesmanship in the British tradition.

It is hard to explain that institution and I suppose no one will ever be able to do so; that is, how to bring together people with so many dissimilar views who are able to achieve something in the nature of a communiqué. Indeed, I was of those who felt that the day of communiqués on the part of the Commonwealth Prime Ministers' Conference was over. I thought the general attitude of the various nations making up the Commonwealth would lead to a condition of affairs that would at best be exemplified by discussion rather than by agreement.

The Prime Minister did not go into very much detail today. He told us in a sketchy way something about the peace mission. I do not want to be critical in that connection but, if my information is correct, I think the Prime Minister of the United Kingdom, before having launched this plan, should have discussed it in advance through diplomatic communications with the various nations of the Commonwealth. I am told that until the opening of the Conference or shortly before the commencement of the first session the only Prime Minister who had information thereon was Sir Robert Menzies, Prime Minister of Australia. That is not the way to make effective, strong and positive Commonwealth initiatives.

In its composition I think the mission failed in advance because of the refusal of the various capitals to accept the suggestion that an Asian representative should be invited. Without an Asian representative the potential authority of any such mission was materially reduced. It is apparent that during the course of discussion the original concept, which was that of a mission of inquiry, was changed, and that substituted therefor was the proposal for certain guidelines to solve the ever more serious situation that is developing in Viet Nam. The guidelines included, first, cessation of military action by both sides and, second, recognition of the Viet Cong as one of the parties to be considered and recognized as an entity.

I would be interested to know what the reaction of the United States President was to this proposal. Apparently it was discussed by him and the Prime Minister of Australia prior to the conference opening. Does the Government of the United States agree now

that any conference that may be called for the purpose of discussing the matters in issue shall include the Viet Cong?

I think too that the mission was weakened in advance by having chosen as its Chairman the Prime Minister of the United Kingdom who, while entitled to every eulogy for having brought about something in the nature of a plan, in my opinion ought not to have been chosen as Chairman of such a mission. Indeed, I doubt very much that he should have been a member of the mission, in view of the strong stand he had taken in the Parliament of the United Kingdom in favour and in support of the stand taken by the United States in Viet Nam. There was a realization on his part that those who glibly criticize what the United States is doing have no alternative to offer, and that the withdrawal of the United States from South Viet Nam would mean danger to all of us who believe in freedom everywhere in the world. That has been the view of the socialist Government of the United Kingdom, and it is a view that is generally shared, I think, throughout the world.

Where do we go from here? I had hoped that the Prime Minister would give the House some lead in this connection. Is this peace mission dead or is it merely in a state of suspended animation? What further course is contemplated to meet the ever worsening situation? In the last few days the United States has added to the number of its men in the force there and yesterday, apparently for the first time, went on its own initiative against the Viet Cong. That can only lead to more serious developments, and I would have hoped the Prime Minister would not have been so careful in the number of words he used so that we might have had some idea of the viewpoint of the Prime Ministers of the Commonwealth regarding a situation that shows no sign of improvement. Indeed, in the last few days it has revealed potentially dangerous steps which can only lead to an escalation in the face of which the world stands in awe and fear.

So far as Rhodesia is concerned, we are not very clear as to what was the viewpoint advanced by the Government of Canada. The Prime Minister said there was general agreement that a conference should be convened, apparently on the basis of universal suffrage. Was that Canada's viewpoint? What are the hopes that this problem will be capable of solution before it brings about in its wake frightening possibilities in all of Africa? What of last year's grandiloquent words in the communiqué regarding Rhodesia?

Everything seemed to have been reasonably and basically solved by last year's communiqué, but now we are in a position where the British government is back in the picture as fully as it always was. But there is nothing in this year's communiqué to make most clear and definite that the Rhodesian problem will be solved in a way that is fair and reasonable to white and black alike.

There are other matters to which reference could have been made, but I say with the greatest frankness to the Prime Minister that those two matters, Rhodesia and the peace mission, lack on his part the information that should have been given to Parliament so that we in this House may not have to depend entirely on press releases or communiqués.

Because of other events of this day, such as the bringing down of the Royal Commission report, I can only hope that so important a matter as the position of the Commonwealth in the world of today should not receive the scant consideration which it did on this occasion on the part of the Prime Minister.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, we all welcome the Prime Minister back from what I am sure must have been a very strenuous and difficult conference of the Commonwealth Prime Ministers.

I must say I am disappointed that he did not give us more information in tabling this communiqué, but it may be his intention on interim supply, or some time during the next few days, to elaborate further on what took place at the Conference. I certainly wish he had been less casual and less uncommunicative on a number of matters which are of great interest to this House and to the people of Canada, such as the matter of Commonwealth trade, the matter of the Commonwealth secretariat, and further elaboration about Rhodesia.

We certainly ought to have some statement from the Government before the House recesses, with respect to the situation in Viet Nam. The mission set up by the Prime Ministers' Conference was, in my opinion, a bold and imaginative step. It is to be regretted that the Prime Minister of Ceylon, because of ill health, was not able to be a member of that mission, and I trust it is the intention of the Commonwealth Prime Ministers to invite one of the Asiatic Commonwealth Prime Ministers to act on the mission.

Mr. Speaker, I had hoped the Prime Minister would not only elaborate on the role

of this mission to deal with the Viet Nam situation, but that he would make some ringing affirmation regarding Canada's position in this very difficult and dangerous situation. The guidelines which have been set down in the communiqué are a great step forward, and certainly go much further than anything the Prime Minister has said here in the House or that the Secretary of State for External Affairs has expressed before the House or before the Committee on External Affairs. This communiqué recognizes something which the Government of Canada has constantly failed to recognize, namely that President Johnson's reiteration of the fact that he is in favour of unconditional peace negotiations has always been qualified, first by the fact that he was not prepared to sit down and negotiate with the Viet Cong, and second that he was not prepared to accept the basic tenet of the Geneva agreement which said that the boundary between North and South Viet Nam is provisional and that if the people want to express their opinions in free vote there is to be the opportunity to unify Viet Nam.

This communiqué at least recognizes those two important provisos which the President of the United States has always interposed when talking about unconditional peace negotiations. I would have like to see the Prime Minister say today that the Government of Canada espouses and supports the guidelines that have been established at the Commonwealth Prime Ministers' Conference.

As hon. Members well know, the Prime Ministers suggested that the ultimate objective of this mission on the Viet Nam situation was threefold; first, a suspension of all United States air attacks on Viet Nam; second, to get North Viet Nam to undertake to prevent all movement of military forces and assistance to South Viet Nam; and third, a cease fire on the part of all parties pending a conference.

They also set forth four objectives for such a conference; first, the end of the war in Viet Nam; second, the withdrawal of all foreign troops in Viet Nam and the neutralization of the area; third, an international peace force set up under the Geneva accord powers to safeguard the peace in Viet Nam; and fourth, the eventual unification of Viet Nam through free and internationally supervised elections. These, Mr. Speaker, are the kind of guidelines and objectives which are realistic. They are the kind of guidelines that ought to appeal to both sides in this conflict.

I think before this recess the Government of Canada and if possible the Parliament of Canada ought to endorse these proposals. I think the Government of Canada should make a special appeal, either on its own behalf or by a resolution of this Parliament, asking the United States to take the first step which is a prelude to all the other steps, namely to suspend all bombing of North Viet Nam. There cannot be any hope for discussions or negotiations with a country which day after day is watching its towns, cities and installations being bombed and its people being killed. The other night over the C.B.C. someone who had been in Viet Nam gave it as his opinion that three out of every four persons being killed in North Viet Nam as a result of the bombing were women and children; civilians. If this is true, the resentment which must be building up in that country will in my opinion make it impossible to get any peaceful negotiations. If as a precedent to the rest of the objectives set down by the Prime Ministers' Conference the suspension of the bombing of North Viet Nam is placed first, I think the Government ought to say so and this Parliament ought to say so.

I am sure we all wish the Prime Ministers' mission on Viet Nam every success. I think we should recognize that the chance of their succeeding is very small unless they receive co-operation from both sides. It seems to me that the first step in this co-operation must come from our good friends and neighbours in the United States; it must be to discontinue the bombing as suggested by this communiqué.

I hope before we recess there will be further opportunities to refer to this subject so the Prime Minister can tell us something more about the Conference and, above all, so he can state categorically his own position in support of this communiqué, to the end that the world, and particularly the United States, may know that the Canadian Government and the Canadian Parliament are in support of these objectives, without which there seems to be little prospect of a solution being found. The fact that the Prime Ministers' Conference recognized the danger of escalation; the fact that it stated there seems to be no hope for a military solution; the fact that it concluded there must be a cease fire and a conference, all constitute a recognition that some breakthrough must be made. And the first step, it seems to me, is to get a cessation of the bombing as a prelude to a cessation of hostilities.

Mr. R. N. Thompson (Red Deer): We join in welcoming the Prime Minister back in our midst. We have followed with great interest

the reports which have come to us of the proceedings at the Commonwealth Prime Ministers' Conference. We are pleased that Canada is continuing to play a distinguished role as senior member of the Commonwealth and continuing to hold the respect of the newer members of the Commonwealth, as has been the case through recent years.

We are glad to have this copy of the communiqué. We wish a more detailed report could have been made with regard to what was accomplished and what went on during the deliberations of this Conference. I was disturbed to read in the press, and to hear over radio and television, speculation by some of our Commonwealth leaders about whether the Commonwealth could be held together. Indeed, there was a program broadcast by the C.B.C. on Sunday night, I believe, in the course of which the Prime Minister was interviewed, and the right hon. gentleman was reported to have said it would be a difficult task to prevent the Commonwealth from disintegrating. Remarks such as these characterize the situation which is prevalent in the world today.

I think there is something we should all realize when we try to define and understand just what the Commonwealth is; that is, when we think of the basic ingredients which brought the Commonwealth into existence and which account for the influence it exercises among its members and in a wider field. I am convinced that the reason the Commonwealth came into existence, and the reason it will continue to play a vital role, is simply that it is founded on the greatest heritage that we in the Commonwealth enjoy, namely the concepts of parliamentary government, British justice and freedom.

Mr. Herridge: That is true.

Mr. Thompson: These characteristics of responsible, representative Government are the very warp and woof that go to make up the Commonwealth. While in the present world situation we may well be concerned about the problems we face, we should take courage from the fact that these principles will apply, on our part, to the solution of these problems.

We have listened with interest to the statements made by hon. Members who have spoken, particularly as they relate to the decision to form a Commonwealth Viet Nam peace mission. I think the Commonwealth has been courageous in moving forward on this issue. I join the hon. Member for Burnaby-Coquitlam in doubting whether much will be accomplished by this mission. Certainly not very much can be achieved until there is a willingness on both sides to come together around the negotiation table. I do not know to what extent the prospects of the mission will be improved by lengthy expressions of opinions in this House, but I am sure it is the desire of all of us that it should achieve great success even though the prospects at the present time are not promising. Whether or not the peace mission succeeds, I am sure the effort itself will prove worth while. As such it will be one of the most important results of this recent Conference.

I think I should also refer briefly to the Rhodesian problem. It is encouraging to see that the communiqué again endorses without hesitation those basic principles which guarantee the rights of human dignity and respect to every person regardless of the colour of his skin or the creed in which he believes. This is a good thing. We recognize that the problem in Rhodesia is not a simple one. We recognize that its solution will not depend upon the wishes of the Commonwealth members alone, because the Government of Rhodesia is obviously determined to carry through the policies it has so definitely announced.

It is important to note that the Conference spent some time discussing economic affairs. One of our greatest responsibilities in the Commonwealth today is to exercise leadership in assisting the emerging nations to raise the living standards of their people. Certainly this is one of the great challenges which we face, and it is in this field of economic development that the Commonwealth has a tremendous, positive responsibility.

There is something in this communiqué that we have not had time to discuss in detail which I think is worthy of mention. Neither the Prime Minister nor any of those who have spoken have mentioned it. I refer to the agreed memorandum regarding the Commonwealth Foundation. I think each one of us ought to take this part of the communiqué and study it carefully, because here is one of the very positive programs with which the Commonwealth Prime Ministers dealt. I think it represents one of the most vital programs as far as the Commonwealth is concerned and certainly is of tremendous importance as we seek to raise the standard of economic development and of living in general for those people who live in what we tend to define as underprivileged areas.

This leads me to raise the question of the Commonwealth Secretariat. I think Canada

should be commended for understanding that the Commonwealth of the future may have a different form than the Commonwealth of the past, and for having taken the lead in offering one of our most distinguished diplomats to serve as Secretary General of that Secretariat. I commend the Government and the Prime Minister for being willing to part with the services of such an important man as Mr. Arnold Smith has been in our own area of external affairs—I am sure the Secretary of State for External Affairs understands this as well as anybody—in seconding him to an even greater service, one that will serve not only Canada but every part of the Commonwealth. We wish him all the success possible in this very difficult assignment as he plows forward into new ground, developing new policies and laying out a new foundation that I am sure is going to be the heart throb of the Commonwealth in the future. I think we have something to be proud of in this regard, and when I say that I wish Mr. Smith well I am sure all hon. Members of this House heartily ascribe to those good wishes.

So, Mr. Speaker, while we would like to have had a more detailed report from the Prime Minister, and I think it is important that such a report be given, we are grateful for what has been done and for receiving this communiqué, and we look with confidence to a future that is not all clouds and problems and does hold hope for something better.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, we have not had too much time to review the press release just distributed by the Prime Minister (Mr. Pearson). However, I want to express to him my greatest and best wishes on his return from London.

He has stated Canada's views over there and those views were highly appreciated by all the prime ministers attending that meeting of Commonwealth leaders.

When the Canadian Prime Minister took a stand on the Viet Nam conflict, for instance, he was appreciated not only in his own country, but by other Commonwealth prime ministers as well, because the logical position to take was to request a cease-fire in Viet Nam.

Now, according to the communiqué we have just received, we see the Prime Ministers discussed several matters: Malaysia, the Cyprus situation, Africa, Guinea, the West Indies, disarmament, Rhodesia, the territories belonging to the British Empire or the commonwealth. The economic situation not only within the commonwealth but throughout the world was also dealt with.

Mr. Speaker, I believe the United States err, as we of the British Commonwealth also do, when giving assistance to underdeveloped nations, in that while providing help we try to impose our way of life, our habits and customs upon them. And that is a gross error. I have often said that you cannot make white out of black or black out of white, but it is easy to respect both. Here, in Canada, there is talk about biculturalism, bilingualism, two cultures, etc. I often had the opportunity of saying across Canada that you cannot make a French Canadian out of an English Canadian or an English Canadian out of a French Canadian, but that you can make two good Canadians out of those two elements forming our country.

Now, when helping underdeveloped countries, a monumental error is committed in trying to have those people live according to our own way of life. If we give them technical assistance, technical knowledge, education, means to live their own lives, they will then have become our friends. I sincerely believe that the present Prime Minister shares that opinion, for he has made many statements in Canada along those lines in western as well as in eastern Canada, and I believe he shares the view that we must give those people, while letting them be themselves, the means to live decently, to rely on themselves as much as they are able to and to develop according to their own aspirations.

Then, the individual, the human person is respected from the economic standpoint. And while helping those countries we shall help ourselves.

[*English*]

INTERNATIONAL LABOUR CONFERENCE

TABLING OF INSTRUMENTS ADOPTED AT GENEVA MEETING

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, in accordance with article 19 of the constitution of the International Labour Organization, I wish to table the texts in English and French of the instruments adopted at the 48th International Labour Conference held in Geneva, Switzerland, in June and July, 1964. The instruments consist of three international labour conventions and three recommendations.

The constitution of the I.L.O. requires a member state to bring conventions and recommendations "before the authority or authorities within whose competence the

matter lies for the enactment of legislation or other action". In the case of a federal state there is the further obligation to refer instruments which are wholly or partially provincial in legislative jurisdiction to appropriate provincial authorities "for the enactment of legislation or other action", and to arrange for periodic consultations with a view to promoting co-ordinated action to give effect to the provisions of the instruments.

The opinion of the Minister of Justice, a copy of which I am tabling, is that each of the six instruments adopted last July is partially within federal legislative jurisdiction and partially within provincial jurisdiction.

The instruments include a convention and a recommendation on hygiene in commerce and offices, designed to protect the health of workers in commercial establishments and offices, and a convention and a recommendation on benefits in the case of employment injury. Although these matters are well covered in Canadian legislation and practice, there is not complete compliance at present in all jurisdictions with every article in the two conventions. Steps are being taken to explore with the provinces what action might be taken to ensure that all Canadian legislation and practice comply with the conventions, in the hope that they may then be ratified.

The remaining instruments are a convention and a recommendation on employment policy. On the basis of policies followed within the federal and provincial jurisdictions, we believe it is both possible and desirable for Canada to ratify the Employment Policy Convention. We are consulting with the provinces with a view to taking action on this convention at an early date.

As regards the three recommendations adopted by the conference, the question of ratification does not arise, since the I.L.O. constitution does not provide for ratification of recommendations. These instruments set forth standards as a guide for member countries. They will be referred to the appropriate authorities, and I am sure will be studied and found useful at both the federal and provincial levels.

HOUSE OF COMMONS

REPORTED STATEMENTS RESPECTING FALL ELECTION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, now that the Prime Minister is back in the House and we are approaching the last day or days before adjournment, in view of statements which have been made by the Minister of Finance and other lesser luminaries to the effect that an election is to be called this fall, will the Prime Minister now let the House and the country know, as did the Prime Minister of the United Kingdom in the last couple of days, exactly what the position of affairs is going to be in this relationship?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I hope the situation is such that we will be able to embark upon a very well earned recess very shortly. I hope the situation remains such, and that we will be able to come back in September and finish the work we have on the agenda for this session.

Mr. Diefenbaker: Mr. Speaker, is it the intention of the Prime Minister, as apparently implied by the Minister of Finance, that an election is to be called before redistribution is put into effect?

Mr. Pearson: Mr. Speaker, the right hon. gentleman knows that it would not be proper or normal for me to give expression to my intentions in reply to questions on orders of the day, and I do not think that I can add anything to elucidate this answer.

Mr. Diefenbaker: I would ask the Prime Minister, are these lesser luminaries, in the statements they are making, justified in so doing, bearing in mind the fact that various presidents of Liberal associations across Canada have been advised to get ready for an election early in October?

Mr. Pearson: Mr. Speaker, I should have thought that my right hon. friend, who has been a Prime Minister, would understand that Cabinet Ministers do make interesting statements and at times even take interesting actions. But I should have also thought that my right hon. friend, who has been claiming that the time has come for an appeal to the people, would be very pleased at emanations of opinion of that kind. I would point out to my right hon. friend that it is not entirely within our control because yesterday, according to information which I received in London, there was an indication that all the Opposition groups were going to defeat the Government, in which case we might have been into an election campaign today.

Mr. Diefenbaker: I am not unmindful of the fact that the right hon. gentleman referred to a statement made by the Minister of Finance as an emanation. I like that expression. But is it the Prime Minister's intention

during the summer recess to call an election so as to prevent the operation of redistribution?

Mr. Pearson: Mr. Speaker, I said I hoped that conditions would be such that we could come back in September and complete our work.

Mr. Stanley Knowles (Winnipeg North Centre): May I ask a supplementary question, Mr. Speaker. Does the work we will complete when we do come back in September include the Canada Assistance Plan and medicare?

Mr. Pearson: Mr. Speaker, we already have a lot of matters on the program. My hon. friend knows that the particular question he has asked and the particular subjects about which he has asked many questions are extremely important, and we want to make progress in respect of both of them. The extent and the timing of the progress, at least with respect to one of them, will have something to do with the forthcoming federal-provincial conference which opens in a couple of weeks.

Mr. Knowles: A supplementary question, Mr. Speaker. In view of the fact that one of the items I mentioned, the Canada Assistance Plan, was specified in the speech from the throne, will this matter be put on the order paper for action at this session?

Mr. Pearson: I certainly hope we will have completed parliamentary action on this very important matter before the end of the session.

[*Translation*]

Mr. Réal Caouette (Villeneuve): I should like to put a supplementary question, Mr. Speaker.

The Prime Minister held some sort of referendum among the Liberal members not long ago in order to know whether or not an election would be advisable before redistribution. We learned earlier that the redistribution would probably take place before the election if parliamentary business were resumed in September. But I feel the Canadian people would be interested in knowing whether the government intends to call an election before or after the electoral redistribution.

[*English*]

Mr. Pearson: Mr. Speaker, I do not think I can add anything to what I have already said on this very important subject. I am grateful to my hon. friend for taking soundings among the Liberal party. Perhaps he would let me take a poll among the Creditistes.

[*Translation*]

Mr. Grégoire: Mr. Speaker—

[*English*]

Mr. Speaker: Order. We have had an extended discussion on this very interesting and important subject. Perhaps we should allow one or two more supplementary questions and then terminate it.

Mr. Lambert: How about some of the answers, Mr. Speaker.

Mr. Starr: I wish to direct a question to the Minister of Labour—

Mr. Speaker: The hon. Member for Lapointe.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to ask a supplementary question about redistribution.

Can the Prime Minister tell us if it is true that the members of his party are so displeased with the redistribution that they want an election before it becomes effective?

[*English*]

Mr. Pearson: No, Mr. Speaker, I cannot answer that, but I can tell my hon. friend that some of my Commonwealth Prime Ministerial colleagues were very surprised that the Prime Minister of Canada would go off to such an important conference and then find that his seat had been taken from underneath him.

EXTERNAL AFFAIRS

VIET NAM—INQUIRY AS TO CANADIAN GOVERNMENT POLICY

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I should like to ask the Prime Minister whether we may now assume that the guidelines and the objectives with reference to a solution to the situation in Viet Nam have been fully endorsed by the Government of Canada and now constitute the foreign policy of the Canadian Government.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, my hon. friend probably has not had a chance to examine the communiqué in the press form in which it was circulated this afternoon, but if he looks at page 3 he will see at the bottom of that page in respect of this particular matter that the meeting, which included Canada, ap-

proved the statement from which he quoted a few moments ago. We do approve it.

Mr. Douglas: I have a supplementary question. I congratulate the Prime Minister for this position the Canadian Government has taken, but to be sure that I am perfectly clear about it, does this mean that the Canadian Government is now asking the United States to discontinue bombing North Viet Nam, and that we are in favour of the withdrawal of all foreign troops from Viet Nam and the eventual unification of Viet Nam by free election, under the supervision of a peace keeping force established under the Geneva accord powers?

Mr. Pearson: No, Mr. Speaker. Let me read exactly what the communiqué says. This is the statement in respect of guidance, and it includes the guidelines for Commonwealth action:

> Bearing in mind these considerations and also the purpose of the Mission, it should be guided by the following ultimate objectives during its consultations with the parties principally concerned:

The first two of these should be taken together. Indeed, they were discussed together, and it was agreed that they were very definitely related to each other.

> (a) a suspension of all United States air attacks on North Viet Nam;
>
> (b) a North Vietnamese undertaking to prevent the movement of any military forces or assistance or material to South Viet Nam.

It was hoped that both these objectives could be achieved simultaneously.

MALAYSIA—REPORTED REQUEST FOR CANADIAN ASSISTANCE

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister. In view of the fact that he must have had consultations with the Prime Ministers of other Commonwealth countries such as Malaysia, Australia and New Zealand, can he inform the House whether the reports are true that Canada has been requested to give arms or other forms of material assistance in the struggle of Malaysia with its neighbouring country of Indonesia?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, no request was made to the Canadian Government through me at this Conference by the Prime Minister of Malaysia. He did, however, express gratitude to me, and at the Conference itself, for the aid Canada has given his country.

[Mr. Pearson.]

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I wish to direct a question to the Prime Minister—

[*English*]

Hon. Michael Starr (Ontario): Mr. Speaker, I rise on a question of privilege. You have recognized the Leader of the Official Opposition for one question, and you are now recognizing, for the purposes of asking a question, the seventh member of an opposition party.

Some hon. Members: Oh, oh.

Mr. Starr: In view of the fact that we are limited to half an hour, I feel that we are entitled to our fair share of that time.

Mr. Speaker: Order, please. Anyone who has followed the order will realize that as usual we have proceeded down the opposition ranks, starting with the right hon. Leader of the Official Opposition, if I am not mistaken, followed by the leader of the N.D.P., the leader of the Social Credit Party and now the leader of the Creditiste Party.

Mr. Starr: Sheer nonsense.

Mr. Speaker: The leader of the Creditiste Party did rise on a supplementary question, which I believe was his right. It is my belief that the order has been strictly followed.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I rise on a point of order, Mr. Speaker. I do not wish to become involved in a controversy with Your Honour under any circumstances, but this attitude is not in keeping with Parliament. This is a recognition that these various opposition parties have an equality with Her Majesty's Loyal Opposition, and that is not in accordance with parliamentary procedure.

Some hon. Members: Hear, hear.

Mr. MacInnis: I rise on a point of order.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, on the point of order—

[*English*]

Mr. Speaker: Order, please. I should like to settle this matter at this time. It is the understanding of the Chair that at the beginning of the question period the leaders of each party, beginning of course with the Leader of the Official Opposition, then proceeding to the leaders of the other groups in this House, should be recognized. That

has always been my understanding, and if I am in error I should like to be so informed.

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

Some hon. Members: Oh, oh.

Mr. Winkler: That's the stuff; shout him down.

Mr. Speaker: Order, please. I recognize the hon. Member for Cape Breton South.

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I rise on a point of order, drawing your attention to the fact that the hon. Member for Ontario was on his feet, was recognized and had started to ask a supplementary question before the hon. Member for Lapointe was recognized. The hon. Member for Ontario was recognized before surrendering the floor for the purposes of a supplementary question.

Mr. Speaker: Order. I recognize the hon. Member for Villeneuve.

VIET NAM—LEADERSHIP OF COMMONWEALTH PEACE MISSION

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I have a question for the Prime Minister. Having been unable to confirm press rumours that the Prime Minister was asked to lead the Prime Ministers' mission with regard to the Viet Nam crisis, I would ask the Prime Minister if such an invitation was made, in what form it was made, and by whom.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the conference agreed on the personnel of the mission as established. The Prime Minister of the United Kingdom was put forward as Chairman on the first day, and when the mission was agreed to on the last day I had the pleasure of supporting his chairmanship.

Mr. MacInnis: A supplementary question, Mr. Speaker. Do I take it from the Prime Minister's answer that the rumours we have read in Canadian newspapers to the effect that he was invited to lead this mission were false?

Mr. Pearson: Mr. Speaker, I was approached in this connection.

Mr. MacInnis: That brings me back to my original question. In what form was the Prime Minister approached and by whom?

Inquiries of the Ministry

ADMINISTRATION OF JUSTICE

PRESENTATION OF DORION COMMISSION IN BOTH LANGUAGES

On the orders of the day:

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, it is a great thing to hear the leader of Her Majesty's loyal opposition always—

[*English*]

Some hon. Members: Order.

Mr. Speaker: Order, please. Will the hon. Member ask his question.

[*Translation*]

Mr. Caouette: —complain that he is ill-treated in this house, while his party has all the advantages over everyone.

Mr. Speaker, I should like to direct a question to the Prime Minister.

Has Hon. Frédéric Dorion been commended for submitting his report to us, in both English and French, the same day?

[*English*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have not had an opportunity of communicating with the Chief Justice, but I agree that it was a very happy situation that this report was presented in both languages at the same time.

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, now that the Dorion report has been tabled, is it not true that the information contained in the alleged Southam News Publishing Company leak is true? It was a leak, but is it not a fact that what it stated is in fact true?

Mr. Pearson: Mr. Speaker, my hon. friend is in as good a position as I to compare the leak with reality. I have not been able to do that.

Mr. Speaker: I recognize the hon. Member for Ontario.

Mr. Starr: No, pass me by.

Some hon. Members: Oh, oh.

RAYMOND DENIS—INQUIRY AS TO PROSECUTION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Justice a question with reference to the Dorion report. As my reading of that report indicates that the bribe of $20,000 offered by Raymond Denis to Mr.

Lamontagne for the purpose of obstructing justice has been established, is the Government going to proceed with a prosecution in this connection?

[*Translation*]

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I shall take that question as notice.

[*English*]

Mr. Diefenbaker: Mr. Speaker, surely this question should not be taken as notice, on a matter affecting the administration of justice in Canada that has been played around with for so long by the Minister.

AGRICULTURE

OTTAWA VALLEY—DISCUSSIONS WITH PROVINCIAL MINISTERS RESPECTING DROUGHT

On the orders of the day:

[*Translation*]

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, I should like to put a question to the Minister of Forestry in his capacity as Acting Minister of Agriculture. He promised yesterday that the Minister of Agriculture would report on the discussions held between the federal Minister of Agriculture and the provincial Ministers of Agriculture of Ontario and Quebec, with regard to the special assistance for Ottawa valley farmers.

Can the minister make this report right now?

Hon. Maurice Sauvé (Minister of Forestry): Mr. Speaker the parliamentary secretary to the Minister of Agriculture will now make this report to the house on behalf of the minister.

[*English*]

I think the Parliamentary Secretary is going to answer.

Mr. B. S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I am grateful to the hon. Member for bringing this important matter to the attention of the House. The Minister of Agriculture for Canada met with the Ministers of Agriculture for Ontario and Quebec for two and one half hours yesterday, and I understand that those discussions were very fruitful.

Preliminary estimates indicate that some 14 countries are affected in Ontario and about 10 in Quebec. Agreement was reached as to the seriousness of the situation, and as to the need for assistance to farmers who have suffered losses as a result of the dry weather.

In view of the fact that there are several possible approaches that can be taken to meet this problem, it was not possible to work out all the details of an assistance program at this first meeting. As a result it was agreed that a committee headed by the Deputy Ministers of Agriculture of the three Governments should meet within the next few days to iron out a detailed approach.

Among the possibilities they will be considering is a suggestion that the program when it has been fully developed should be administered by a special drought agency with membership from the three governments concerned. Once the proposals have been presented by the committee of Deputy Ministers they must then be submitted to the respective governments for approval.

[*Translation*]

Mr. Marcel Lessard (Lac-Saint-Jean): Mr. Speaker, I should like to ask the Minister of Forestry, in his capacity as Acting Minister of Agriculture, a supplementary question following the report made just now by the Parliamentary secretary to the Minister of Agriculture.

Is the minister in a position to tell us whether or not, during the discussions that took place yesterday on this subject, here in Ottawa, there was any discussion with Mr. Courcy about the assistance to be given to the farmers of the Saguenay-Lac-Saint-Jean area who submitted a brief on March 19, which seems to have remained unanswered?

Hon. Maurice Sauvé (Minister of Forestry): Mr. Speaker, I must say that I attended only the first part of the meeting before coming into the house.

[*English*]

Mr. J. J. Greene (Renfrew South): A supplementary question, Mr. Speaker. In view of the critical situation at the present time, can the Parliamentary Secretary give us any indication when some final decision will be made by the Federal Cabinet in this regard? Can he also give us some indication of the extent of the program, the amount of money involved in the program of aid?

Mr. Beer: I am unable, of course, to provide the detailed information requested by the hon. Member. I know the study is proceeding with all due haste, and an adequate program will be presented to the House in the very near future.

Mr. A. D. Alkenbrack (Prince Edward-Lennox): Mr. Speaker, I have a supplementary question to that asked by the hon. Member for Pontiac-Témiscamingue. I have received information by mail this morning that hay for shipment to the United States is being purchased in certain areas of Ontario where there is at least some crop, will the Minister consider taking steps to restrict and prevent the export of hay from Canada to other countries during this period of emergency and scarcity?

Mr. Beer: Mr. Speaker, I will be happy to bring this matter to the attention of the Minister.

Mr. Diefenbaker: Mr. Speaker—

Mr. Speaker: One more supplementary.

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I would like to direct a supplementary question to the Parliamentary Secretary to the Minister of Agriculture. During yesterday's talks between the various Ministers of Agriculture, was there any mention of crop insurance between the Federal Minister of Agriculture and the Quebec Minister of Agriculture?

[*English*]

Mr. Beer: Mr. Speaker, in the two and a half hours that the meeting lasted it did range over a wide area of subjects, and crop insurance may have been mentioned.

BRITISH COLUMBIA—LOSSES SUFFERED BY FRUIT GROWERS

On the orders of the day:

Mr. B. S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, while I am on my feet I should like to reply to the hon. Member for Okanagan Boundary, who expressed some interest in the serious losses to fruit growers in British Columbia. I should like to draw the attention of the House to the fact that the Minister of Agriculture today met with the Minister of Agriculture for British Columbia regarding assistance to the B.C. fruit industry for crop losses and damage to trees from frost and other weather conditions. It was agreed that some B.C. fruit producers are faced with serious problems and that they must have some help.

Inquiries of the Ministry

EXPO '67

INVITATION TO RED CHINA TO PARTICIPATE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs which is a follow-up to a question I asked the Minister of Trade and Commerce a week or two ago.

In view of the Prime Minister's anxiety to get China to attend disarmament talks, and in view of the fact that both the Commissioner General and the Deputy Commissioner of the World Fair are on record as favouring Chinese participation in the Fair, would the Minister now consider extending an invitation to the government of mainland China to participate in our World Fair regardless of any opposition to such an invitation that may be expressed by the United States or Formosan governments?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, it is true that the Prime Minister's declaration indicated that Canada did support the summoning of a conference of all the nations, including China, on the matter of disarmament. However, these are unrelated subjects and the question of substance has already been dealt with by my colleague.

Mr. Herridge: A supplementary question, Mr. Speaker. Do I take this to mean that the government of mainland China is not going to receive an invitation to participate in the World Fair?

Mr. Martin (Essex East): Mr. Speaker, for the reasons given by the Minister of Trade and Commerce that is the situation.

HOUSE OF COMMONS

EMPLOYMENT OF SECRETARIAL STAFF DURING RECESS

On the orders of the day:

Mr. Jack A. Irvine (London): Mr. Speaker, I should like to address a question to the President of the Privy Council as spokesman for the Commissioners of Internal Economy. In view of the prospect of a lengthy summer adjournment, has a decision been taken as to the employment of Members' secretarial staff during the adjournment and, if so, what is the decision?

Hon. G. J. McIlraith (President of the Privy Council): Mr. Speaker, I believe this is the type of question which, under citation 438,

I think it is, should be asked of Your Honour in writing. In any event, I will try to get the information and make it available to hon. Members later in the day.

FINANCE

REQUEST FOR INCREASE IN FAMILY ALLOWANCE

On the orders of the day:

[*Translation*]

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, I would like to direct a question to the Prime Minister.

In view of the fact that family allowances began in July 1945, that we will be celebrating their 20th anniversary in July 1965 and that all other sectors of the economy have experienced eightfold, tenfold or even twelvefold increases since that time, can the Prime Minister state whether or not he intends to increase family allowances to make them truly representative, recognizing the family as the basis of society?

[*English*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I just want to say it is nice to be back home, but I am afraid I cannot answer that question.

SPORTS

CANADIAN APPLICATION TO HOLD 1968 WINTER OLYMPICS

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Secretary of State for External Affairs and is related to the question I asked yesterday, with regard to which he said he would make an investigation. Has Canada still got a chance to act as host for the 1968 Olympic games?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the hon. Member will recall that France was selected as the site for the Olympic games. I have made inquiries, and I know of no reason to warrant any belief that there might be a change in the decision to have the games in France.

Mr. Grafftey: A supplementary question, Mr. Speaker. Is there no possibility of France not being able to act as host because of the problem of recognition of East Germany; and would this consideration apply to Canada also?

Mr. Martin (Essex East): It would apply to any country that did not recognize East Germany.

INDUSTRY

ASSISTANCE TO WORKERS AND INDUSTRIES AFFECTED BY AUTOMOBILE AGREEMENT

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, may I direct a question to the Minister of Labour. In view of yesterday's action by the United Automobile Workers in completely opposing the auto parts agreement because of the lack of proper safeguards for the workers displaced as a result of the agreement, is the Minister prepared to reconsider the legislation to provide adequate safeguards and at least bring it up to parity with the provision made in the United States?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, the hon. Member refers to parity with the United States. The fact is that no final determination has yet been made of the level of benefit that will prevail in the United States, and it may be some months before any level of benefit is determined as the result of a decision of an arbitrator who will make a determination under the SUB plan in the United States. But supposing that the present level of benefit proposed in the United States is accepted, I am prepared to argue that the proposal made yesterday by this Government is at least as good as the proposal under consideration in the United States and, in at least one or two instances, is definitely superior and gives greater protection to the Canadian auto worker.

I am hopeful that when Canadian auto workers are fully informed as to the level of benefits they will conclude that in the circumstances adequate benefit has been provided, in view of the fact that the maximum level of benefit provided is approximately $75 in comparison with the maximum level of benefit provided under the unemployment insurance fund, namely $36.

Mr. Scott: I wish to pose a supplementary question related to the first part of my previous question. In view of the fact that all the locals in Canada of the United Automobile Workers have now come out in flat opposition to the plan, in order to provide adequate examination of the plan and perhaps launch it with the support of the trade union movement instead of its opposition, would the Minister be prepared to refer this whole agreement to a committee of the House

where it could be fully studied and witnesses called?

Mr. MacEachen: In the circumstances no, Mr. Speaker. There is a lay-off at present in Windsor. We expect there will be a further lay-off in August, and the purpose of this plan is to provide immediate benefit to the auto workers. I do not believe that a committee set up for this purpose would be able to do a better job than the committee of the whole which will examine this proposal when the supplementary item comes before the House.

Mr. A. D. Hales (Wellington South): Mr. Speaker, my question is directed to the Minister of Industry, following his announcement yesterday with regard to assistance to the automotive industry. Has the adjustment board been established and, if so, what are the names of the members of the board? If the board has not yet been appointed, from what field will its members be selected?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, the board has not been selected as yet, and if the hon. Member wants further details perhaps he will wait until the supplementary estimate is under discussion later this day.

Mr. Hales: As a supplementary question, would the Minister give consideration to providing a better interest rate to the manufacturers in the automotive industry than the 6 per cent he announced yesterday, in view of the fact that they can obtain a 6 per cent interest rate from any lending institution? The Government is not providing them with any great assistance in a 6 per cent rate.

Mr. Drury: Mr. Speaker, I do not want to argue this point now. I think the hon. gentleman's question is a little argumentative, but the fact of the matter is that my information from the industry shows that the problem is not the interest payable or chargeable, but the general difficulty in getting a loan at a reasonable interest rate.

DOMINION-PROVINCIAL RELATIONS

QUEBEC—ADDRESS TO HER MAJESTY RESPECTING PROVINCIAL CONSTITUTION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I wish to ask the Prime Minister whether he can give the House any information on the question of the resolution passed by the Legislative Council of the Province of Quebec relative to the amendment of the British North America Act respecting the powers of the Legislative Council. Has such a resolution been received? At the same time, when he replies would he say whether the Government will hold up any approval of the address from the Legislative Assembly of the Province of Quebec being sent to Her Majesty the Queen until the House of Commons has had an opportunity to discuss this matter?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, in reply to the first part of my right hon. friend's question, no communication has been received from the Government of Quebec. In reply to the second part of the question, there may be an opportunity on interim supply later today to deal with this matter.

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, will the Prime Minister give an assurance that the Assembly address will not be forwarded until that opportunity has been provided?

Mr. Pearson: Any request from the Legislative Council, before it could be forwarded, has to come from the government of Quebec, but it has not come yet.

VETERANS' LAND ACT

AMENDMENTS RESPECTING AUTHORITY OF DIRECTOR, HOME CONSTRUCTION ASSISTANCE, ETC.

Hon. Roger Teillet (Minister of Veterans Affairs) moved the third reading of Bill No. C-128, to amend the Veterans' Land Act.

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

INDUSTRY

PROVISION FOR PAYMENT OF DEVELOPMENT GRANTS IN DESIGNATED AREAS

Hon. C. M. Drury (Minister of Industry) moved that the House go into Committee to consider the following resolution:

That it is expedient to introduce a measure to provide for the payment of development grants to assist the establishment of new manufacturing or processing facilities and the expansion of existing manufacturing or processing facilities in order to improve industrial employment opportunities in designated areas in Canada; for this purpose to establish in the Consolidated Revenue Fund an Area Development Account to which shall be credited an initial amount of fifty million dollars; and to effect certain related amendments to the Income Tax Act concerning the definition of a manufacturing or processing business and the application of section 71A of that Act in any case where a

development grant has been authorized to be paid under the said measure.

Motion agreed to and the House went into Committee, Mr. Lamoureux in the Chair.

Mr. Drury: Mr. Chairman, the House will recall that on June 7 the Prime Minister proposed certain major changes in the program of incentives for area development designed to broaden it and make it more effective.

The present measures for area development were introduced almost two years ago in recognition of the fact that certain areas of Canada had not achieved the measure of economic progress obtaining in the country as a whole. In these areas employment opportunities and levels of income are well below those enjoyed by most other Canadians. It is the policy of the Government in its campaign against poverty and inadequate opportunities to bring the benefits of industrial development to such areas in so far as it is possbile to achieve this.

As hon. Members know, the incentives provided under the present area development program take the form of accelerated capital cost allowances and a remission of income taxes. This program has had a substantial measure of success, and I would hope to have an opportunity during the discussion of the new legislation to describe some of its positive results.

Experience has shown us that a tax holiday is of benefit mainly to those firms which were able to reach a profit position at an early date in their operations. Other firms have to provide for market development and other settling-in costs during their first years of operation. Accordingly their profit position in the early years is such that tax benefits provide only a limited incentive. Moreover, we found that smaller firms in particular of a type well adapted to these areas experienced difficulties in initial financing.

For these reasons the Government is proposing to offer cash grants to new manufacturing and processing firms establishing in designated areas, as well as to firms expanding their existing facilities. The amounts of these grants are to be directly related to the total investment in fixed assets made by these enterprises. A firm which qualifies for a grant may elect to take it in the form of a credit against its income tax liabilities.

• (4:10 p.m.)

The legislation will provide funds for the payment of development grants. It will establish a formula to determine the amount of grant to be provided to individual enterprises. It will provide that such grants will not be taxable income and will not be deducted from capital costs for tax purposes. It will amend certain provisions of the Income Tax Act concerning the definition of a manufacturing or processing enterprise, and the application of that act to development assistance. There is also provision for close liaison between the firms receiving development grants and the National Employment Service to ensure that the new employment opportunities are fully exploited and the appropriate training facilities established.

Finally, the Act will provide for regulations which will define in more detail the conditions and procedures for the payment of development grants.

Mr. Chairman, I hope to have a further opportunity to speak on this subject when the bill is before the House. My brief remarks at this time on the resolution will, I hope, indicate our firm belief that it is through positive measures of this kind that we will help to ensure that the employment and income opportunities generated by our expanding economy will be shared by all Canadians.

Mr. Hales: We listened with interest to the Minister's introductory remarks concerning this resolution preceding a bill to be introduced asking that this house approve the setting up of a fund amounting to some $50 million in the consolidated revenue account from which the Department of Industry will be able to pay various amounts to industries which agree to establish themselves in designated or depressed areas.

As the Minister told us, it is only a little over a year ago that he introduced legislation designed to entice industry to locate in such areas. I think we all recall the problems which this legislation created in various areas of this country. I have no difficulty in recalling the problems created in my area. We were only 20 or 30 miles from a designated area, and the designated area began stealing our industries. In other words it became a matter of moving jobs from one area to another. I think the hon. Member for Renfrew had a similar experience; he had a designated area just across the border. The hon. Member for Brant-Haldimand also had a similar experience.

As a result this legislation did not meet with any large degree of approval. The Minister told these industries, we will give you certain concessions; we will not collect

taxes for three years. Fifty per cent of the capital cost of machinery and equipment was to be forgiven, along with 20 per cent of the cumulative capital cost of all buildings. These arrangements did not work out satisfactorily. Now the Minister wants to put another patch on this patchwork quilt he began in December, 1963, but this time he is ready to hand out cash; this time a giveaway program, by means of outright grants.

I do not think that we as guardians of the Queen's purse have any right to give money in grants in this way. I would be in favour of making loans with interest. Making outright grants is a most unusual way of inducing industries to settle in depressed areas. We support the resolution in principle. We realize there are areas in Canada where economic growth is slow and that some assistance has to be provided. Nevertheless, I think we should ask ourselves whether this is constitutionally sound. Is it the business of the Federal Government to be in this particular field, or should this be an area in which the provincial authorities or the municipalities should operate? In connection with the former legislation there was often serious confusion and overlapping. There was uncertainty about who had the constitutional right to work in this particular sphere.

I could give many examples of the way in which provinces have gone all out to attract new industry. A heading in this week's *Financial Post* reads "Manitoba tosses more dollars into its pot to lure industries". The first paragraph says:

> A five year plan to lure new industries, backed by government guarantee of an additional $100 million for the Manitoba Development Funds has been announced by Premier Roblin.

Ontario has embarked upon an extensive program to attract industry. And so it goes. I think this proposal before us is just another case of overlapping, another case of duplication. It is a means of spending the taxpayers' money in a way in which it should not be spent. I sometimes think it is a means of finding work for the 300-odd people who have been hired to staff the Department of Industry, one of the policies which have been dreamed up by the Department for that purpose.

This area development program is not original. It is nothing more than another program which has been copied from the United States. The Liberal Government has come out with a war on poverty, copied from the United States. The Minister of Labour went down to see U.S. Secretary Wirtz to discuss with him how the problem of the displaced auto workers could best be handled. He came back with the program announced in this House yesterday. It seems to me Members opposite have copied one idea after another from the United States. Let us have Canadian policies for Canada; let us have policies for Canadians and draft them here, instead of going south of the border to get ideas. I am convinced that this legislation will come back to haunt the Minister in the years to come.

One of the things we can do as an opposition is to call the Minister's attention to some of the pitfalls which have been revealed in this program as it was instituted in the United States four years ago. As a matter of fact it was one of the first policies to which the late President John Kennedy put his signature in his war against poverty when he signed the legislation known as ARA; the letters stand for "area redevelopment administration". Today the Minister has introduced similar legislation, only he calls it "area development". The ARA as it was instituted in the United States four years ago contained some deep pitfalls into which the Americans have fallen. We in Canada under our program will find ourselves in the same situation. I have in my hand an article which appeared in the *Reader's Digest* of May, 1964.

• (4:20 p.m.)

The heading is "Is this the way to fight the war against poverty?" Then it says:

> The Area Redevelopment Administration was set up for a highly worthy purpose. But look at the way this U.S. agency is squandering taxpayer dollars—and callously ignoring the rights of individual citizens.

The article goes on to say:

> For the ARA has, in the name of helping the poor, become the spearhead of one of the most outrageous government encroachments on private enterprise in United States history.

All we need to do is substitute "ARA" by "area development" here in Canada, and five years from now I am quite sure this article will fit the situation in this country. This article continues:

> —ARA has uncoiled into a monstrous complex of co-operating bureaucracies. These agencies have dragooned or enticed a third of the nation's counties and 42 million of its citizens into accepting the label of poverty—

The article goes on:

> —ARA is riddled with bungling, political pressures and untold finagling.

I can just see it happening here, Mr. Minister. Then the article says:

New installations are being financed by ARA in industries already beset by overcapacity, thus jeopardizing existing jobs.

It goes on to say that ARA is financing by means of a loan the expansion of the Howard Johnson chain of restaurants, and is thereby putting a great many private individuals out of business. It has loaned money for the building of new hotels, motels and so on. Another passage in this article is:

Areas that are far from "depressed" are getting help.

So through political finagling we find areas getting help when they are really not depressed. This article goes on to say:

Jobs constitute the only excuse for ARA's existence, but the agency provides brazenly inaccurate figures about the employment it generates.

I think we could apply these words to some of the figures and statements that have been made in this House as to the improvement that has taken place in the so-called designated areas here in Canada. To conclude these quotations, Mr. Chairman, I will quote what was said by two Senators of the United States, in which country they have had a plan similar to the one introduced by the Minister in respect of which he is now asking us to provide $50 million to support this program. Senator A. Willis Robertson of Virginia said this:

ARA is an unsound spending scheme through which bureaucrats may make or break cities and towns all over the country by granting or withholding federal money.

Senator Frank J. Lausche said this:

This program is not economically sound. It is not fair to the taxpayers. It is a vote-buying device.

Oh, Mr. Chairman, I can see it happening here in Canada as I read those words. I can just see these depressed areas in which industries have moved in, and a big sign put up by the member of that riding saying "I brought this industry here. Vote for me in the next election". I can see the political implications of this program in respect of which the Minister is asking us to put up $50 million; and the next time he comes to Parliament with the program he will be asking for $100 million, not $50 million.

I mention this, Mr. Chairman, because it is bound to happen here. It happened there. This designated area program as it is set up is based on the N.E.S. office areas, and as hon. Members know these areas have certain boundaries. They are rather small, and the adjoining N.E.S. area may not be designated. There is still nothing in the legislation to change this overlapping and this proximity of one area to another, or to take care of the great problem that we experienced before in this regard. I think the Minister should give consideration to using the Dominion Bureau of Statistics figures instead of N.E.S. areas as the basis of designation.

As I said before, this matter of grants is a bad principle. I am the first to admit that when we were in power as the Government we gave an outright grant to the Britannia Copper Mine in British Columbia. A very, very sincere plea was put forward at that time by the former Minister of Fisheries, Mr. Sinclair. I can see him yet, as I sat over there and he stood up with an envelope in his hand on which were written a few notes. He made a tremendous plea for a grant to the Britannia Copper Mine. Our Government gave this outright grant to the Britannia Copper Mine, and the result is that today the mine is closed. The outright grant proved to be not the proper thing to do.

I say again, Mr. Chairman, that I am not in favour of outright grants. We are in favour of loans with interest, and a personal stake by industry with regard to assistance. This resolution provides for the expansion of existing plants. It does not say whether the expansion of existing plants means that they can relocate in another area. This might be one method of expansion. They could exist in town A and expand by moving over to town B. If this were the case it would be just a transfer of jobs from one area to another.

Another thing I think should be mentioned here is that only in cases where private financing is not available should these grants be made. Then there is the matter of a community accepting the label of "poverty" or "depressed". I do not think any community wants to be labelled a poverty area. In my opinion this is bad terminology. I am one of those who believe that when you create the proper environment industry will move in and expand. I would say to this Government that they could go a long way toward creating a proper environment if they would remove the 11 per cent sales tax on production machinery.

Some hon. Members: Hear, hear.

Mr. Hales: This is the first step they should take. This would create a better environment for industries in these areas. I think you could give industry pie in the sky yet they will not locate in a depressed area, because industries do not operate in that way. Industries that are going to locate in given areas call in experts and say to them "We

are interested in locating in Canada. Will you make a survey and give us the whole story as to whether we should locate there". They study such things as transportation costs, closeness of raw materials and many other factors. In other words, Mr. Chairman, if you can prove to industry that they can make a dollar they will be there before you can catch them; but you have to create that environment. If they can make a dollar, they will be in there.

Take any industry for example. Take, for instance, Canada Dry. Suppose you wanted Canada Dry to come into a depressed area. You could give them all these things the Minister wants to give in the way of grants, and so on; but unless the water in that locality is of the kind they need to make their product, they will not go to the area. The policy which the Minister put before us earlier has not been working properly, and I see little improvement.

An hon. Member: It is a case of putting the cart before the horse.

Mr. Hales: It is another example of poorly thought out legislation. This Government are working in reverse; they back up, take a step forward and then two steps back. This was a patchwork quilt program that was introduced and the Minister is putting another patch on the quilt and is asking us to vote $50 million for outright grants to be given to industry to move into these designated or depressed areas.

• (4:30 p.m.)

I conclude, Mr. Chairman, by drawing to the Minister's attention once more the facts and conditions that existed in the United States when they introduced such a program in their war against poverty. We should pay particular attention to the results of that program in the United States. I hope when he produces the bill and the regulations accompanying the bill this will be spelled out in much greater detail, but I sincerely hope the Minister will give this matter second thoughts and the consideration it should have so that he will not have to ask the House to change legislation again in the short period of a little over a year, as is the case today.

Mr. Saltsman: Mr. Chairman, until the bill comes before the House it will not be possible for us to take a definitive stand on the proposed legislation. But unless the bill offers something a little more worth while than what we have seen so far, I for one, and I think many in this party, would be opposed to it.

Two years ago the Department of Industry made provision for area development, and with disastrous results. I think there is something to be learned from this legislation, which is still in existence. It shows that the isolation of one community, it being declared a designated area, simply does not work. I hope when the bill is brought in it will indicate that the Government has taken another look at the experience of the past and that entire areas, perhaps entire provinces, will be declared designated areas so the faults that exist, or which existed in the previous legislation, will not reappear in the new legislation.

South Waterloo was very badly hurt by the old legislation, despite the Minister's assurance to the people of South Waterloo that he was hopeful that the program would be more beneficial to places like Galt than if there were no program. That hope did not materialize. As the Minister knows, industries moved out of Galt into an adjacent area. All those in the area from which I come feel that the designation of an area of that type was a grave error. It accomplished nothing. I think the basis on which the designation was made was wrong, and I am afraid the Minister is considering this criterion in the new legislation.

Galt had gone to a great deal of trouble and made many plans to develop an industrial section. It prepared municipal services in anticipation that its industries would stay and would grow and develop, only to find that some of them moved out, and moved out with impunity. The important thing to new industry in a municipal area is the pool of labour available, the skilled and necessary labour needed by industry for its operations. In this particular circumstance industry was able to move out and draw its labour, while the municipality which had lost the industry had to pay for the cost of the services and of looking after the schools.

The Minister is fully aware that residential assessments do not cover the cost of municipal services, and that the municipalities require industrial assessments as well. To operate the legislation as the Minister did in the past, when he encouraged industry to move from a municipality, with the Minister telling the municipality that the people were still going to live in the municipality, is no help at all, because municipalities need industrial assessments to underwrite the residential assessments.

One change which is going to be made will be of some help, and it is an acknowledgment that the previous legislation was not particularly effective. The Minister says these measures were of great benefit to companies in a profit position but were less helpful to new and smaller firms. These new proposals hope to obviate that difficulty. Nevertheless the same basic fault exists in this new legislation which existed in the old. The grants are still being made on the basis of capital investment.

If it is the Minister's and the Government's intention that this legislation be part of a campaign against poverty and inadequate opportunity, and if it is the purpose of the legislation to help cure unemployment, then I cannot see how giving grants based on capital investment relates to the problem of curing unemployment. I think there are instances where this may be the case but there are other instances where it will not be the case. If a grant is based on capital expenditure only it will encourage industries of the automated type, industries which do not require much labour, to take advantage of this situation.

In our opinion if incentives are to be offered they should be on the basis of increasing employment opportunities, and grants should be made on the basis of how much employment will be offered. Grants should be given to industries of a labour-intensive nature rather than to industries which are going to use them to write off large capital investments. If these large capital investments involve labour-intensive employment, fine; but if they do not, then I hope the Minister has an answer to that particular problem.

In this regard, on the second page of his statement I see the Minister has a slightly different criterion for existing plants. He speaks of the help which will be given to existing plants in designated areas provided the expansion contributes appreciably to improving incomes and employment opportunities in such areas. This makes a great deal more sense than his first statement that the grant will be based on the size of capital investment. I hope he will follow this through and make it a uniform provision in the bill.

There is also the acknowledgement that this type of legislation is not going to be enough, that other programs will have to be devised in conjunction with this legislation. We hope a sincere effort will be made to do this. Educational facilities must be provided. Industry will not go where there is not a pool of skilled labour. Industry needs this pool of skilled labour. Industry needs assurances that there are schools and training projects in the area so as to ensure that its requirements for skilled labour will be met. I certainly hope that such a program will be brought in with this suggested legislation.

The Government proposes to establish four guidelines for the designation of areas, and again I think the Government is making a mistake in relying on statistical evidence only. This mistake was made in the area surrounding my riding.

• (4:40 p.m.)

I think part of the error arises because of the statistical method of determining what should be a designated area. The Minister referred to areas where unemployment is severe, and no one will argue with that idea. I hope the Minister will also look into the reason for that situation. If the severity of unemployment is related to a statistical fact, in that there are seasonal workers in the area, then his statistics will be completely wrong and his assumption that an industry will locate in that area will be incorrect.

The Minister speaks about areas where there has been a large and persistent decline in the number of people employed. We must do something more than simply say that if that is so we should designate this area. If there are root causes there for unemployment, such as that the area in question has no natural attractions and never will have for industry, by forcing industry into such an area we will only be inviting bankruptcy. The Minister will have to take a very close and careful look at this type of situation.

In respect of areas where unemployment is substantially above the national average, and the rate of increase in employment is substantially lower than the national average, here again this cannot be judged by statistics. A close look must be taken in respect of this area with some common sense exercised to determine whether the area has a future for industry and can sustain industry. We will not be doing anyone any favour by moving industry into such an area simply as a good short term solution, because we may wind up being shortsighted, playing a hoax on the people in this area, and leading them to believe that theirs is an area that can sustain and support an industry over a long period of time, particularly if that area has no natural advantages to offer an industry which must compete with other industries. If the Minister insists on doing this sort of thing

in a situation of this kind, then he and his Government must be prepared to continuously subsidize industry located in areas improperly prepared for them.

I am disappointed that in all these indications regarding designated areas the Minister has left out what to me is probably the most vital thing to be examined. Can industry prosper and sustain itself? These programs are fine and the kind that most people will not argue against in principle. I am sure every Member of this House wants to do something about chronic unemployment, but we must be careful that in our attempt to cure chronic unemployment, which could perhaps be cured much better and more adequately by other measures, we do not force industry into a position where it cannot compete so that in the long run this nation will not advance and prosper in all areas.

In order that all areas of this country can prosper we must assure ourselves that our competitive and productive position is good. We must not do anything which puts chains on industry. We must be very careful that this kind of legislation, even with the best of intentions, will not create a monster which will require permanent subsidization and will result in lower productivity and, in the long run, a lower standard of living for Canada.

When the bill following this resolution is presented to this House we must consider it to see whether the long run problems have been considered, whether it will do something to increase our productivity, and something to foster a higher standard of living in Canada. We must look to see whether this legislation fits into some kind of national plan, or whether it is only a sop for those who are making loud noises in certain areas. We must look to see whether it is going to be political or based on a carefully considered objective. We must look to see whether it embodies ideas which will really assist municipalities, or whether it will impose difficulties upon municipalities which become designated areas. Let us not forget that by forcing industry into these areas we could create a series of problems for the municipalities which they never dreamed they would have to face, as the result of an increased demand for services. In that event, instead of helping the municipalities or areas we might effectively destroy them by raising their tax rates as a result of forcing them into the position of having to supply services which were not required in the past and may not be required in the future, except in anticipation of growth that may never develop. All we will have done then is to have supplied a sop rather than a long range solution to this kind of problem.

Some excellent reports have been made available recently in respect of this subject. I have had the opportunity of reading the report prepared by the Atlantic Finance Research Board, under the direction of Professor T. Wilson of the University of Glasgow, about the Atlantic provinces. I was greatly impressed with what that report had to say about this situation, and particularly impressed with the argument advanced for regional designation as opposed to local designations accompanied by the location of small factories in this town, that own and another town.

The report suggests that that is the worst possible thing that could happen. It points out that what should be done is designation on a regional basis, so that people of the same background and historical attitude, without having to move far from their families, could become employed in the central area. Surely that is the way to improve and increase the total performance and standards of areas of high unemployment.

In this regard I am sure my colleagues will be a little more specific, and will relate their remarks to particular areas. We all look forward to the bill itself in order that we may ascertain those things included in the bill which will be of real help to Canada instead of just words without meaning.

• (4:50 p.m.)

Mr. Leboe: Mr. Chairman, first of all I should like to say categorically that I am not greatly impressed by the legislation anticipated by this resolution. If there ever was a situation where we were mistaken I think this is it, because even a novice taking one glance at the legislation can see that we are not being consistent and are not achieving anything so far as policy is concerned. In other words we are not doing anything really constructive.

I was interested in hearing the Minister state that these grants could apply against income tax liabilities. When the Minister gets up to reply I should like him to tell us why we should be interested in granting money to people who are in an income tax bracket. It does not make sense to me. Why should we be in the position of giving a grant to somebody who is in an income tax bracket? If they are going to pay a large amount of income tax they do not need these grants. People have their own methods of seeking out places to locate sound and good businesses.

In this connection I might put in a plug for the City of Prince George. In the next few years $400 million is going to be spent within a radius of five miles of Prince George. Business people know a good place to go to establish and build up a business. We do not need this type of provision at all. For instance, I think we might look into the action taken by the Town of Arnprior some years ago. I remember being in the railway committee room when an official from Arnprior explained what they had done. There are Members of the House of Commons who come from that area. The municipality itself established certain incentives to induce business firms to establish there on a permanent basis and thus provide the type of employment and expansion of business needed by the Town of Arnprior. When we were given this information in the railway committee room I was very much impressed with the way the municipality had undertaken to overcome the difficulties facing it. I say to the Minister that if there is any place where the Government should start giving assistance across Canada it is to the municipalities. This is where the Government should be giving assistance.

I was much impressed by most of the remarks of the last speaker. I think he showed he had a very good grasp of the whole situation with regard to this legislation. The purpose of industry in Canada or anywhere else is to produce goods and services, not to provide jobs. If the purpose of industry is to provide jobs then we had better revert to the situation that obtains in undeveloped countries. This morning I was talking to a newspaperman on the street and he said that in a country he had visited not long ago there would be perhaps 50,000 men working on a project that would be handled by five or six dozen men in Canada or the United States. If we want to reverse the trend and start to provide people with work for work's sake, then I say there should be an over-all policy in the Department of Forestry and other departments to clean up our forests and provide access roads for fire protection and so on. There are many places where people can be put to work.

The fact remains that if an industry is induced to move into a certain area there is no guarantee that the people of that area are going to get the jobs. I have a very clear recollection of a fairly large highway operation where the local people in the area were not hired to work on the highway at all. There were many good catskinners and gradermen available who could have been used, but the unions had unemployed members in Vancouver, Winnipeg and other places. Because the contract specifically stated that union members would be used, these people were shipped in from other provinces and given first chance at the available jobs.

I am not complaining about that. These are the facts. But what guarantee has the Minister that if an industry is established in a particular area the people of that area will get the jobs? There is no guarantee whatsoever that the people of the area will benefit in that regard.

In addition, while we have not a very large population in Canada and while I maintain we should have a much larger population, the fact is that our population is large enough that there is great flexibility in the movement of the labour force. This has been proven to be so in the Province of British Columbia. In that province the labour force is growing and growing but so is unemployment. Why? Because people are moving there to get jobs. They know there are jobs available, but if two people go out there for every job available there is still going to be plenty of unemployment. It is a fact of life that people move to places where jobs are available. All people are not tied by their apron strings to one place. Certainly an emotional factor enters the picture when a family wants to stay together in the area where they are now living, but I say there is enough flexibility in the labour force that tremendous movement can take place.

The last point I should like to mention is the economic factor, which I believe is paramount. I do not think we should induce industries to locate in places where it will not be economically sound for them to operate and survive. If an industry is artificially stimulated to locate in a particular area, it is obvious that the death knell of that industry is a foregone conclusion. It will fail eventually.

Although I have not consulted other members of my party, I am sure they will agree with me when I say that this legislation is a piecemeal, patchwork approach to overcoming unemployment in depressed areas. Because of automation and the changes that are taking place the need arises for workers to move and, as was mentioned yesterday, we must have an over-all policy that will take care of any contingencies that may arise in the case of individuals. We must do this and forget about the business of trying to stimu-

late industry to locate in a place where economically it does not belong.

• (5:00 p.m.)

[*Translation*]

Mr. Latulippe: Mr. Chairman, I feel I must enter the debate on the motion before us because it concerns industry. Canada experiences major problems in this field.

I wonder if the proposal to distribute $50 million in loans will increase industry in Canada to the extent of providing work for all people in designated areas. Is the distribution of money in designated areas intended to displace industries?

If we take industries out of Montreal and relocate them in a designated area, while people are already out of work in Montreal, this will not solve the unemployment problem. If the Montreal industries relocate in designated areas of the province, will there be work for present employees of such industries? Can the minister tell us whether, at this time, there is plenty of production in Canada, or whether there is a lack of it? If there is a lack of it, why do industries not produce?

You will reply that perhaps it is because they do not have the money. Why does the Canadian industry lack money? Well, I will tell you right now, Mr. Chairman, it is that instead of financing consumption, we finance production. I am sure that the fault is not with production, but with consumption, because at this time, in 1965, our total gross production will top $50 billion. Now, in 1964, we barely disposed of $35 billion worth of products. This means that the balance is in warehouses.

We have lots of needs in Canada. We have an abundance of needs and they are flagrant. But consumers do not have the money to buy the production. If production is increased, what problem will that solve? Will that production be held in storage or will it be used to serve the needs of Canadians?

Well, if the needs of the Canadian people are to be served, let us organize the Canadian economy.

Our economy is not balanced. There is a lack of equilibrium between production and distribution. So long as we fail to solve the problem of equilibrium between the two, it is useless to put amounts of money at the disposal of manufacturers and to pay excessive rates of interest on those amounts.

Who are we going to protect in doing so? Those who manipulate high finance, to the detriment of the consumer.

At this time we already have excess products in storage, and such consumers as might buy them do not have the money to do so; they would have to borrow.

Therefore, we borrow to manufacture products and we also borrow to consume them. Where are we going with this sort of unbalanced economy? If we are unable to find a way to balance this system which is beyond the reach of the Canadian people, it is useless to try to administer the country.

If war were declared tomorrow, all kinds of means would be found to balance the budget; necessary steps would be taken so as to put the production on the market, because we would know that everything that is destroyed would have to be replaced.

But, at present, if you want to replace production by other products, you have to work in order to sell products for the welfare of human beings. Canadian families have needs. There are still, in many constituencies of Canada, families that do not have bathroom in the house. This does not mean they do not need them. The needs exist, but the people are unable to obtain the goods they need.

It is essential to find a way to stabilize this economic factor which has been lagging for years, in fact, ever since confederation. In the past we could say that we had production problems. But those problems have been eliminated; today we have no production problem, nor any transport problem, but we have some tremendous financial problems.

If we wish to finance production and try to give a new impetus to the economy in designated areas, this can not be done with loans, because they would only be another burden on the taxpayers' shoulders who would have to pay more interest. This would contribute to increase the cost of goods to such an extent that individuals would no longer be in a position to buy them.

What is the use of producing in that case? If we want to be logical, let us set up our economy on a balanced, scientific and businesslike basis. This will not be done through loans. Loans have been known for a long time; they are as old as the world. They should never have come into existence, yet they do exist. Some people insist that money should yield profits, whereas money does not bear returns. This explains the imbalance, and this problem must be solved.

Several areas of the country are going through a recession. Finance is to blame rather than producers, consumers or workers.

Let us solve the problem of finance and we shall then settle practically all problems. But the matter is being overlooked.

I asked earlier for an increase in family allowances in order to provide taxpayers with purchasing power. Some Liberal members laughed. You will laugh, you Liberals, in the face of families, in the face of those who are starving, at the next election.

You can go and laugh at them in their own countries. You have already done so. I do not know who did, but I heard about it. That is what goes on, Mr. Chairman. Some are satisfied with their salaries, are content to eat their fill, while others starve in Canada, starve in the Province of Quebec. To prevent them from starving, we need reforms, monetary reforms.

We shall get such reforms if you are willing to open your eyes and ears, to put your fingers on the evil that festers in our shaky economy, on the business failures that occur throughout the land. There are bankruptcies everywhere. Why are there so many? Because there is not enough money in circulation. People are unable to buy and industries cannot sell.

I am the owner of a small industry myself. The problem is not one of manufacturing but of sales. The problem in this country, as far as sales are concerned, is one of getting paid; that is the trouble and you refuse to settle the problem. The problem cannot be settled by loans.

If you want to settle the problem of the Canadian economy there is overstocking of real products on shelves—then why not give an adjusted discount on these products. This will result in products being sold at reasonable prices.

It is not interest on money that is needed. The sole purpose of the administration is to arrange for loans. The government has become a lending institution, it endorses loans, it endorses financiers, so that the latter may obtain 6, 7 and 8 per cent. That the people be taken unfair advantage of, that they be throttled, is not important, but interest on money must be maintained at any cost; governments must be endorsers and take their responsibilities toward the whole of Canada, they must endorse all those loans in order to organize the Canadian economy a little.

Some small industries are head over heels in debt even before they start operating. They cannot even go on operating because production is overtaxed—there are direct, indirect, provincial, municipal and school taxes, so that production is taxed up to 50 per cent of its value. When you buy a piece of equipment or a piece of furniture, if the latter costs $100, taxes account for $50.

That is the kind of economy we would like to reform. It is not with the system advocated by the government that the present system will be corrected. A solution can be found. I said so a moment ago, it is by means of a compensated discount on products that this problem can be solved and, of course, with money from the Bank of Canada. There is surplus of production which the people need, which they should have and which they should be able to purchase.

In industries automation has now replaced the worker to a great extent. Where 100 men were employed before, only 10 are required now with automation. Industries are modernizing as never before.

Who is going to buy the production? I am asking you? Who is going to solve the problem of consumption in Canada? Production is financed, but nobody thinks about financing consumption. Consumption is a necessity of life and, consequently, first consideration should be given to financing the consumer not by indirect but by direct means, not by letting him be exploited by financiers but by helping him by direct means, so that the individual consumer can satisfy his own needs, for there is an abundance of production.

But production should be controlled by the consumer and not only by producers, because what is the use of producing if you cannot sell.

I would have a lot more to say, Mr. Chairman, but I will confine my remarks to what I have said. I am asking all those who are controlling the economy, ministers of the government, for instance, to introduce the necessary remedy in order to improve the lot of the Canadian people.

If Canadians do not get that, communism will spread in Canada. In fact, it is already permeating everywhere in Canada. Why? Because there is hardship in the country and the people have lost all hope of a better lot. The only thing which our citizens have are new troubles and new taxes. They are discouraged, they are no longer even interested in politics. At the last election, only 30 per cent of Montreal's electors voted, which shows how disenchanted citizens are with politics.

There are also urgent economic factors. The problem will not be solved only by setting up new industries to create more jobs. I am for new industries indeed, but I want us to

keep those we already have. The existing industries fight in a mess of problems. Only big industries and large capital get excessive profits. They suit large finance interests by borrowing money, but they have to charge prohibitive prices for their goods in order to pay the interest demanded by financing interests.

I thank you, Mr. Chairman. Once more I want to assure you of my appreciation. I would like to see the government take a positive step from an economic standpoint, from the standpoint of industry in Canada and from the standpoint of consumption in this country. Something needs to be done. We are not after power, because we are not here for that. We are for improvement. If those who preside over the destinies of this country make the improvements asked by the people, we will be the first to congratulate them. If they do not, we will continue to tell the people that there is no improvement and that the present government protects only a small group of society to the disadvantage of all the others.

• (5:10 p.m.)

[*English*]

Mr. Otto: Let me say at the outset that I support the principle of this legislation. Some hon. Members have criticized the advisability of proceeding by means of grants as against tax incentives or tax reductions. Let me point out, having been in business, that there is a difference between the two: Before you get tax credits you must make a profit. The purpose of this legislation is in part to share the risk. It has been said on many occasions that the Government is a partner in the profits—why not in the risk?

Having said this, may I add that I find the resolution something of a paradox. I understand from the definition the Minister gave that these provisions only apply to manufacturing or processing facilities. I put it to the Minister that most of the areas designated are four-square with the tourist industry. Nevertheless, the tourist industry is not included in the definition. I am afraid we regard the tourist industry as not being an industry at all. Mr. Deutsch of the Economic Council has indicated that new jobs will have to be found in the service industries rather than in the manufacturing industries. I put it to the Minister that there is some help already available for manufacturing industries, while no help is available to the tourist industry of this country, to bring it up to date.

We should consider the fact that Canadians and Americans will have more time and more money to spend. Despite the many natural attractions of this country they will be reluctant to spend more of these dollars here until our facilities have been improved and brought up to date. Our operators do not have the money to make the necessary improvements. Consider the facilities which are available in New York State where the tourist industry has now become an important full time industry. To cater efficiently to the needs of tourists, local help is necessary, and this is a field which can probably be developed to even more profitable advantage than the relocation of manufacturing and processing.

I have no criticism to make of this measure. I think it will help the general economic situation. But I should like to call attention to the fact that the Government has neglected to include the tourist industry in its definition, and with great respect I suggest the Department of Industry should take another look at this industry, bearing in mind that it may be comparable in employment opportunities to the manufacturing and processing industries in the areas concerned.

[*Translation*]

Mr. Ricard: Mr. Chairman, the resolution under study gives me the opportunity to express my opinion and that of two so-called independent bodies, with regard to this measure. I hope the information I shall provide to the minister will help him correct, if possible, the inadequacies of this legislation. But before starting my remarks, I must say that I sympathize with the minister, because it must certainly be most distressing to be criticized by one's own political colleagues. I commend the previous speaker for his objectivity and I trust that the minister, contrary to what he has always done up to now, will take heed of his advice and act accordingly.

Mr. Chairman, I entirely support the opinion expressed a few moments ago by my colleague, the hon. Member for Wellington South (Mr. Hales). I think that, because of other similar measures taken by various governments, the present measure is only a duplication of what has been done by other governments; in fact, it is not entirely lacking in poiltical sense and shows some understanding of what patronage can do for a government. In any case, I submit that this initial amount of $50 million seems very impressive and I am of the opinion that the

minister would be well advised to take note of any advice given him, particularly from this side of the house.

If you take a quick look at the various designated areas, you are bound to come to the conclusion that the Liberal ridings, especially those represented by cabinet ministers, are particularly well treated, and in that regard I will bring evidence only from people with nothing at stake in this matter, namely the mayor of St. Hyacinthe and the provincial Minister of Industry and Commerce, Mr. Gérard Lévesque.

I cannot help notice that, to a similar extent, the government gives quite a special treatment to big companies and does not give the necessary consideration to small ones.

In my province, handicraft, small industry, family industry play a very important part and I believe that the minister should give particular consideration to that sector of industry. Small industry has played a very important role in the past and, because of the lack of consideration and support by the government, and because of competition on the part of big industries, those small local family companies find themselves in a very precarious position. Therefore, I beg the minister to grant this situation a special consideration in order to rectify, if necessary, the deficiencies of this resolution.

I was saying a moment ago that I would like to convey to hon. members the appreciation of the mayor of St. Hyacinthe and of the Quebec Minister of Industry and Commerce. I should like to quote part of an article published in *Le Courrier* on February 4, 1965:

> If the city of St. Hyacinthe is in such a bad state as far as industrial development is concerned, even though it is financially and administratively sound and in a position to provide many services to individuals as well as to institutions, the federal government at Ottawa is indirectly to blame because of the various areas it has considered as designated areas.

It goes on to say:

> In short, that is the opinion expressed by His Honour Mayor Jacques Lafontaine, on Monday, to city council in connection with the annual brief presented by the central council of national unions and following his trip to Quebec City where he met, last Thursday, Mr. Gérard-D. Lévesque, Minister of Industry and Commerce, to discuss the impossible situation of a city such as ours.
>
> Everybody knows that our city lost several new industries to other municipalities, such as St. John and Shawinigan, to mention only those two.
>
> Now, those cities are in so-called designated areas because of their high rate of unemployment, and their administrators are now able to give extraordinary advantages to industries wishing to settle within their limits—

[Mr. Ricard.]

That is the opinion of the mayor of the City of St. Hyacinthe. But what is the opinion of the provincial minister of Industry and Commerce? Here it is:

> The Quebec Minister of Industry and Commerce stated that normal cities are getting a poor deal but that the provincial government is not responsible, because it was not consulted in any way by the federal authorities which, on their own initiative, decided which were the designated areas in our province.

And the minister concluded:

> As long as this deplorable state of affairs is maintained, the chances for industrial development in the province will be small, and the federal state is the only one to blame.

Mr. Chairman, in quoting the Quebec Minister of Industry and Commerce, I feel that I am repeating the remarks of a person who is not a political enemy of the federal Minister of Industry and I find it odd that a provincial Liberal minister should speak in such strong language about this federal Liberal government. It is surely because the Quebec Minister of Industry and Commerce felt justified in doing so when he visited St. Hyacinthe and also when the mayor of St. Hyacinthe went to Quebec City, and made the statement I have just quoted.

I wish the minister would devote a little more attention to the development of trade and commerce in our province and a little less attention to political patronage, which is beneficial only to his party.

I do hope that these words will give the minister food for thought and allow the municipalities in the province of Quebec, and more particularly the city of St. Hyacinthe, to obtain their fair share.

• (5:20 p.m.)

[*English*]

Mr. Peters: Mr. Chairman, representing a large area of northern Ontario where this type of legislation was considered to be very advantageous because of particular factors, I am very unhappy with the operation of this Act and with the whole operation of the Department of Industry which has administered the Act. It is a fact that there are areas of Canada that are in need beyond all others of government assistance in developing industry. You will remember, Mr. Chairman, the hue and cry that went up when the Prime Minister's area was hard hit with unemployment a year or two ago when they closed down the uranium industry as such. You will remember, also, that at that time

the Government had spent millions and millions of dollars in regard to that particular affair, for which the Liberal Party can take absolutely no credit but have to bear a great deal of blame, in the development of that industry.

• (5:30 p.m.)

Remember the community of Nickel Belt which supplied uranium to the United States. The town almost disintegrated overnight when this industry was no longer needed and Parliament was asked to designate it a distressed area. I think everyone in Canada agreed with this action because a large number of people were displaced and a terrific amount of capital wasted and squandered on the expectation that this mining community would continue for a number of years.

A number of people objected this afternoon to things which had happened in the past. I am aware that this type of incentive does produce anomalies in areas it is meant to help. We are all familiar with the situation in Brantford. Some of us are aware of the situation in the Waterloo area. We are aware of the fact that this legislation has caused many unpleasantries and much unhappiness between communities which have taken advantage of this legislation, and others which have not. Kirkland Lake is a good example of the type of area not considered. Renfrew is in no different position, as are a number of other locations in every province in Canada. These are communities which died slowly over a long period of time.

The industrial commission in Kirkland Lake went to see some government officials in Ottawa on two occasions on the question of assistance to develop secondary industry. The first time they were surprised that the Department of Labour did not have sole jurisdiction over deciding what should be the criterion, what the incentive program would be and how the designated areas were decided. They were surprised that the Department of Labour considered Kirkland Lake to be fairly well off because of two factors. One was that there was no unemployment, which is fairly easily understood. The other was that the total wealth per person in the area is not very great. I am wondering whether the township I live in is one of the most wealthy townships in the country, if that is the kind of statistic used. I may be one of the few taxpayers in my area, but because of the income I receive these statistics may indicate that this is a wealthy taxpaying area. Certainly the farmers in my area do not pay much tax, so if this sort of criterion is used the situation becomes ridiculous. This may be happening with regard to Kirkland Lake.

With regard to the question of unemployment, we have an unemployment insurance office which several years ago was divided into branches, owing to the diversity of industry in the area covered. I thought this was fair and reasonable and worked to the advantage of the people it served. But it meant that the bush working population, which is a seasonally employed population, joined with the agricultural population and was transferred to the new unemployment insurance office at New Liskeard. The office at Kirkland Lake has been left with a stable work force, and therefore there is no unemployment.

You may be surprised to know that no young people register for employment at Kirkland Lake. This is because there are no jobs in Kirkland Lake available. These people know when they graduate from the institute in the area or from the vocational school or high school that if they are going to work, then they have to go to Toronto. Therefore they move to Toronto and get a job. They never register at Kirkland Lake. Perhaps we should have had everyone unemployed at Kirkland Lake register, and if this were done the unemployment figure would certainly triple immediately. These people are not stupid. They are well aware which jobs are available and they do not apply for jobs which do not exist. They do not want to become part of this statistic in which I see no sense.

Less than a year ago there was a bad accident in one of the mines in my area. These mines are over a mile in depth and have reached the economic limit of their productive capability. As soon as two men were killed last fall at one of the mines, it was closed. Two weeks ago there was a very bad bump at the Lakeshore mine and it was closed, except for salvage operations. This means that 600 people have been laid off. I have not been able to check the figures because I do not know where the figures will be found, but I bet that these 600 employees are probably one third of the total number of unemployed which Kirkland Lake had during the worst period over the last two or three years. I will bet that these 600 people do not register anywhere for employment, because the average age of the miners working in the gold mines at Kirkland Lake is 54. So where would they get a job? They have worked for 35 to 40 years underground in gold mines. Are they going to work on a farm or pick up a chain

saw and go into the bush? Are they going to become truck drivers or work on the railways? What kind of jobs can they apply for? So they do not register and become part of the statistics. Yet this Government is not smart enough to find some way to accommodate the people in that area who are not able to take advantage of employment in manufacturing industries and join the numbers who go to make up these statistics.

If any of these officials are in the galleries, there may be among them some of the smart young people who travel around, and I have met many of them. The Minister of Industry should be quite proud of the number of people he has been able to assemble, but they have not done a damned thing for places like Kirkland Lake. One official became quite interested in Kirkland Lake and I should like to read part of a letter which he wrote to the Kirkland Lake Industrial Commission after he returned to the Department. This young fellow was lent to the Prime Minister to help in the war on poverty. I do not know what that will mean, but there are many people in my area who would not consider Kirkland Lake to be a rapid growth area. They are well aware of the fact that Kirkland Lake, since its peak period between 1937 and 1942, has gone steadily downhill. This is what this official says:

> Upon my return from Kirkland Lake, I conducted an inquiry into the possibility of designating the territory administered by the National Employment Service Office of Kirkland Lake for the financial incentives program of the Area Development Agency and, as we had foreseen during our discussions last September, I found that there was no possibility of obtaining designation at that time. Moreover you will no doubt recall that I had indicated to you, during the same discussions, that the Area Development Agency Program for Designated Areas had been under review and that we would have to await the results of this review before further discussions along these lines could be entertained. This situation still exists. I do hope, however, that within a relatively short time we shall know whether or not the program, as it now exists, is to be modified.

At a further meeting we have had with them we were informed that it is not, and that this situation will not be corrected.

I believe that we should be more interested in people than in property. This is a capital incentive program. This program assists capital investment. It helps give to capital; but it really does not give to people. This is one of the most advantageous capital bolsters we have had for a long time, but it does not help the people to become employed in industry. We are merely adding incentive to capital; it is not given to people.

[Mr. Peters.]

I am well aware there are other programs which do assist people, but this one does not. This program is a bolster to capitalists, something to which I have never dedicated myself, and I have never felt strongly about the capitalist system. Yet this Government gives $50 million to aid capital, having no regard for people or for communities which have been built up at terrific expense.

We have hospitals, schools, technical institutions, vocational schools, a dozen or more primary schools, a fire and police department equivalent to that employed by a community of 50,000 people, all paid for by 800 miners who are employed in that community. What is to be done about this situation? All the Minister suggests is that industry be located elsewhere, and we know that once industry is located in the suggested areas there will follow these increased demands for social capital. As one Member suggested, we are going to build these communities on the golden horseshoe basis.

• (5:40 p.m.)

Let us remember that we must keep industry close to the area of consumption. We all know, including the officials of the department, that there is not going to be a mill established to process the iron ore of northern Ontario because it is uneconomical. I do not think many people have complained about that fact, or about the fact that Jones and Laughlin is exporting the product to the United States, yet unable to build a steel mill in the Timiskaming area. Let us not forget, however, that we are not getting one red cent in royalties in this regard, but rather wages for 200 people. Has the Department of Industry given us any consideration because 300 people have been laid off this month? We have not been designated as a distressed area—hell, no. Instead of that, other areas where wages are 30 or 40 cents per hour higher have been so designated.

Timmins has been designated as a distressed area and the situation there is no different from that of Kirkland Lake, in spite of the fact that the situation in Timmins has changed considerably since the stock market took a jump. There are those who say we are not going to have a smelter in Timmins, but let me assure you that the people in the Timmins area will not continue to mine or sell their Texas-Gulf for export to the United States. We are interested in getting benefits equal to those received by other areas, and Kirkland Lake is not receiving equal benefits.

There is no justification for anyone who has half an eye, driven through that area and observed the situation there, wanting to create another Cobalt there.

Throughout northern Ontario and northern Quebec communities the people are having to provide increased capital services such as roads, sewers, sidewalks, police and fire protection. The people of those areas have provided the capital which has built and maintained the services to this time, and they deserve some assistance in the maintenance of those social capital expenditures, particularly when industry no longer exists. Other countries like Sweden have been able to develop initiatives in this field in deciding where industry should be located. They have been able to sit down and plan their economy.

You know yourself, Mr. Chairman, as a result of driving in the Toronto area that the many factories there this month which were not there last month require greatly expanded social capital services, and that this expansion of industry will require an equivalent expansion in transportation. These problems are always magnified by increases in industrial locations in an area.

Who was it provided the capital for the development of Elliot Lake? The federal Government provided $90 million for that area in the form of cash and tax exemptions for mining companies over a three-year period. Some of these companies did not spend one red cent in the development of this area. The Canadian Government supplied the money to build these plants. The situation has not proved economical so far as the miners are concerned. They spent their savings, worked there for a period of a few years and then had to move out, losing everything they had invested. Has the Department of Labour or the Department of Industry taken this into account?

The Minister of Industry and the Minister of Labour are well aware of the circumstances surrounding these mining areas, and every official of those departments knows of the situation that now exists. I refer to areas in the proximity of Renfrew, the head of the Lakes, particularly around Port Arthur, as well as other areas developed in the north because of an abundance of primary products, whether utilized by the forestry or mining industries.

If we are going to check this developing problem, it must be done now rather than wait for 150 years as was the case in the Maritime Provinces. Let me warn this House now that if there is any intention to pass this legislation by July 1 without some consideration being given to the areas I have mentioned, if I can find any way to stop it, there will not be an adjournment for the summer recess for at least a month. The people of northern Ontario are worried about the situation and feel that steps should be taken to make their conditions at least equal to those of other similar areas.

Within the next two years there will be no gold mines left in northern Ontario. Surely the Minister cannot say that he is not interested in that fact. The Government of Canada has paid $10 million per year toward assisting the gold mining industry in these northern communities. Are they now to be abandoned? If that is the attitude taken by this Government, then what they are doing is honouring only the financial interests of the gold mining industry, the shareholders and others connected with this development, and disregarding the interests of the people who work in the industry. Is the Government prepared to say that? If it is not prepared to do so, then I suggest some change be made so that these areas of northern Ontario can be designated as depressed areas, small growth areas, distressed areas or designated areas. Let them be called by any name, but let them receive some assistance instead of being penalized by the attitude of this Government. They should receive treatment at least equal to that afforded other communities which have more advantages.

If the Government took the attitude I suggest it might not cost one red cent because, while I know of no industry which has gone into the designated areas of Timmins or Rouyn, I do know of several industries that will locate in the Timiskaming area when it becomes a designated area so that they can take advantage of that situation. Surely the Minister is fair enough to give the people of Timiskaming the opportunity of having a pulp mill or some other enterprise locate in that area. He can do so by treating them on an equal basis with those people of the areas to be designated.

The program as outlined by the Minister is not fair because the criteria set down by the Department of Labour are not adequate to take into consideration slow growth areas which, a few years ago, grew rather rapidly but then began to deteriorate. I am not suggesting for one minute that this Government should not consider those small towns which exist as a result of the agricultural industry, but I do feel that there has been a

trend to ignore the rural communities in favour of the urban centres. This has in part led to the urbanization which has taken place in Canada.

• (5:50 p.m.)

But we are talking about communities with a population of 20,000 which have all the necessary facilities already paid for. In many of these towns that have been built on the mining industry the municipal debt was paid off 10 or 20 years ago. We have the facilities but we do not have the growth and development that other communities have experienced.

We do not want to wait until the situation gets as bad as in the Maritimes. I do not want to represent an area that has died and for which we are trying to bring about some kind of rebirth. I want our area to be given assistance now, so it can continue to participate in the same way as the rest of Ontario. In that regard I would refer to this statement by one Ontario Government department:

The Department of Economics and Development stands ready at all times to help in this development—

The development of northern Ontario.

—confident that by the proper utilization of our natural and human resources, by faith in the unity of our people, northeastern Ontario can play a most vital role in the fulfilling of Ontario's destiny.

We have helped to maintain Canada in the past. When citizens from every riding in Canada came to the gold mining areas of northern Ontario looking for work they received work and thus were able to maintain their families and help to maintain communities throughout Ontario, Quebec and many other parts of Canada. Now we are asking for equality of opportunity so that we can take advantage of the assistance given to other areas. If we are given this opportunity we will continue to play our part. I can assure hon. Members that there will be no cost to Canada in the end because the contribution we will make will be much greater than any assistance that may be extended to us through this legislation. If this is done we are prepared to support the legislation. If this kind of concession is not made I am prepared to fight the legislation in any way I can until it is made.

Mr. Greene: Mr. Chairman, in listening to the hon. Member for Timiskaming I was reminded of how often, in listening to economic questions being debated at provincial political conventions over the years, I have heard northern Ontario representatives threaten to secede from the Province of Ontario and of how often I have heard eastern Ontario representatives say: If you are leaving, for God's sake take us too.

[Mr. Peters.]

I think the tragedy of the Province of Ontario lies in the fact that development has been centralized in the metropolitan area and in western Ontario and that generally speaking eastern Ontario and northern Ontario have been left as "the poor South" of this great and rich province. In his criticism of the results of the legislation I think there was inherent in the remarks of the hon. Member for Timiskaming the fact that the approach to the economic problems of the nation embodied in this type of legislation is a sound one. What he was complaining about was the fact that the interpretation of the legislation did not suit the particular needs of his people and, in line with his duty as a Member representing these people, he objected in the strongest possible terms to the application of the rules of the legislation. But in principle I think that he and the people of eastern Ontario would agree that the approach of providing a Federal incentive to areas of slow growth, high unemployment and a low rate of growth of employment is a sound one.

This is the first time in the history of this Dominion that this approach has been taken. As we are in many other areas, we in this country have been behind countries such as Italy, the United Kingdom and Sweden with regard to the decentralization of industry.

The hon. Member for Waterloo South said that the emphasis on decentralization should not be negative. In other words, it should not render the economy of the country inefficient in its application. I certainly think that none of us would wish to make Canada's economy inefficient. I take exception and disagree most violently with those ivory tower university economics professors who sit there in their shelter and say that the only way we can be efficient in this nation is to build two or three little Japans from one end of the country to the other, and that this is the only way we can compete in world markets. I say that economists who argue in this fashion negate the entire Canadian challenge. We have a great land mass and a small population and the challenge is: Can we in fact derive the social benefits of that great land mass and still be efficient economically? I think we can do so and I believe that for the first time the Government has recognized that principle by bringing in area development legislation under the Department of Industry.

We have not hidden our heads in the sand and said: Let the Japans grow and leave the rest of the land to lie fallow, because in that way we will be efficient. As I said, for the first time the Government of this country has said that this nation should be permitted to grow with some equitable distribution of the sources of production and the sources of employment so that there will not be first and second rate citizens as there are today, and so that we will at least try to minimize the gap between the mountains and the valleys in our economic picture.

I am one of those who disagree with the application of the program in its first stage. I think that the Government deserves credit for bringing in the program and for accepting this philosophy which will lead to the equalization of opportunity across this land, but I do think that we need to become more sophisticated in our approach to the problem. We need to approach it from a proper base and above all we need the courage to approach the problem, if need be, from a basis of common sense, on an ad hoc basis, if you like, on the basis of economic principles, yes, but not on the basis of political patronage at all.

I do not think any set of statistics, no matter how comprehensive they may be, can possibly determine whether a certain area (a) can usefully and economically assimilate industrial growth and (b) whether incentives will contribute to that useful economic growth. I do not think any set of figures, no matter how sophisticated and complex they may be, can provide the perfect answer. In the Ottawa valley there is a saying which I believe has spread throughout a considerable part of the country. It is that "figures don't lie but liars can figure". It may be we need to do a little more figuring in this particular area.

I think the problems of eastern and northern Ontario are similar and unique. I believe we must admit that the statistics and the criteria as they were evolved do injustice to those areas of slow growth in eastern Ontario and northern Ontario. In all fairness I must say that our unemployment picture and our lack of growth of employment are not as critical as in areas such as the Gaspé, part of the eastern townships and a great part of the Maritime Provinces.

The Chairman: Order. It being six o'clock, pursuant to the provisions of subsection 3 of Standing Order 15 it is my duty to leave the Chair so that the House may proceed to the consideration of private Members' business.

Mr. Greene: May I call it six o'clock, Mr. Chairman?

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

• (6:00 p.m.)

PRIVATE BILLS

Hon. J. Watson MacNaught (Solicitor General): Mr. Speaker, I understand that the Standing Committee on Transport and Communications has referred two bills back to the House for consideration, Bill S-4 and Bill S-5. Could we have unanimous consent to deal with the committee stages of these two bills?

Some Hon. Members: Agreed.

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill S-4, respecting Algoma Central and Hudson Bay Railway Company—Mr. Nixon.

Bill S-5, respecting Great Northern Railway Company and Great Northern Pacific and Burlington Lines, Inc.—Mr. Wahn.

PRINCIPAL LIFE INSURANCE COMPANY OF CANADA

The House in Committee on Bill S-9, to incorporate Principal Life Insurance Company of Canada—Mr. Lambert—Mr. Lamoureux in the Chair.

On clause 1—*Incorporation.*

Mr. Lambert: Mr. Chairman, I simply wish to make a brief statement. A week ago three of the petitioners, Messrs. Forster, Stewart, and Patrick, accompanied by its counsel and parliamentary agent, appeared before the Standing Committee on Finance, Trade and Economic Affairs. They were examined at length. The Superintendent of Insurance, Mr. Humphrys, appeared and was questioned in some detail by members of the committee. The committee accepted the bill in its entirety without amendment. The Chairman of the Committee has reported back and I would now ask hon. Members to approve the bill clause by clause.

Clause agreed to.

Clauses 2 to 8 inclusive agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, and read the third time and passed.

Private Bills

THE TRUSTEE BOARD OF THE PRESBYTERIAN CHURCH IN CANADA

Mr. A. J. P. Cameron (High Park) moved the second reading of Bill S-10, respecting the Trustee Board of the Presbyterian Church in Canada.

He said: Mr. Speaker, I should like to say a few words before the motion for second reading is adopted, in order to explain the purposes of the bill to the Members of the House.

The Trustee Board of the Presbyterian Church in Canada was incorporated by chapter 64 of the Statutes of Canada 1939, for the purpose of acquiring, taking and holding and dealing with real and personal property of the church. There was only one amendment, and that was by chapter 23 of the Statutes of Canada 1962-63, which widened the field of investments to include investments in which a Canadian insurance company might invest, and granting power to establish plans for gratuities, pensions, superannuation, etc., for ministers or former ministers of the Presbyterian Church in Canada, and section 23 was added clarifying the references in the Act to the board of administration or the administrative council.

With respect to the purpose of the proposed legislation, at the present time the board consists of seven members established by act of incorporation. It is now desired to make provision for enlarging the number to a maximum of 15, and to provide that until otherwise determined by the general assembly of the church, the board shall consist of eight members.

It has been the practice to appoint the chairman of the administrative council and treasurer of the church to the board. It is desired to make these appointments mandatory, but if the treasurer of the church might at some future time become a permanent paid position, or alternatively might cease to exist under that name, then in either of these two events it is desired to appoint the person holding the position of chairman of the finance committee of the administrative council to the board in place of the treasurer, if that position were not a paid position.

• (6:10 p.m.)

The proposed legislation deals, first, with the membership of the board. In the second place it grants power to combine and consolidate in the hands of the board—to receive the income therefrom and to apportion the net income therefrom *pro rata* according to the respective interests therein among such trusts, institutions, organizations, schemes and funds, provided that no such moneys or investments shall be consolidated, if by the terms of the instrument under which they are held they are specifically directed to be administered separately. It also gives power to employ investment counsel or other professional advisers.

In the third place it provides for the enactment and repeal of bylaws, regulations, etc., the power of the general assembly to delegate power and revoke such delegation.

Motion agreed to and bill read the second time.

Mr. Deputy Speaker: Pursuant to Standing Order 105 the said bill is now referred to the Standing Committee on Miscellaneous Private Bills.

EVANGELISTIC TABERNACLE INCORPORATED

Mr. Eric Stefanson (Selkirk) moved the second reading of Bill No. S-11, to incorporate Evangelistic Tabernacle Incorporated.

He said: This bill is in standard form and is similar to many others which have been passed incorporating other religious bodies. The petitioners are five residents of the City of Winnipeg. This religious organization has congregations in Ontario, Saskatchewan and British Columbia as well as Manitoba. It also maintains a missionary in the Philippines. It carries on certain charitable and educational work.

The Evangelistic Tabernacle was established first in Canada in 1956. It has affiliations with a similar religious organization in the United States. The scope of its activities has now developed to the point where this body must become incorporated if it is to continue to be effective in the spreading of the Christian gospel. I understand that this bill will be referred to the Standing Committee on Miscellaneous Private Bills. A representative of the organization will, of course, appear before the committee if the bill is referred there, and be in a position to provide detailed information to hon. Members.

Mr. Arnold Peters (Timiskaming): I have one comment to make at this point. The hon. Member has told us that this bill, if passed, will be referred to the Standing Committee. I suggest the committee might give some consideration to a problem which to my knowledge has arisen in a case of certain of the non-charitable organizations established by statute. It concerns the liability incurred by

the main body in relation to acts by one of its subsidiaries.

The Order of Elks was recently involved in a difficulty of this kind. The charter we granted took away certain responsibilities from individuals without giving a right of redress to the corporate body. When representatives come before the committee in future perhaps they would be prepared to indicate what provision should be made in this respect. It is a matter which might be considered in the light of the clause under which the organization in this case is seeking to hold property and community wealth.

Motion agreed to and bill read the second time.

Mr. Deputy Speaker: Pursuant to Standing Order 105, the said bill is now referred to the Standing Committee on Miscellaneous Private Bills.

CANADIAN INSTITUTE OF MINING AND METALLURGY

Mr. M. J. Moreau (York-Scarborough) moved the second reading of Bill No. S-12, respecting the Canadian Institute of Mining and Metallurgy.

He said: This is a very simple bill dealing with the Canadian Institute of Mining and Metallurgy which was incorporated in 1898. The purpose is to change the constitution so as to enable the Institute to change the location of its head office more easily. At the present time this can only be done by a favourable vote of two thirds of the entire membership. Membership of the society is very far flung and it has proved to be virtually impossible to get a vote of two thirds of the membership at any one casting. The present bill asks that the incorporation be changed so as to permit a change in the situation of the head office by a two thirds majority of the votes cast, rather than by two thirds of the entire membership.

If the purpose of the bill is agreeable to the House I would ask for unanimous consent to move third reading at this sitting.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Motion agreed to and bill read the second time.

Mr. Deputy Speaker: We need the unanimous consent of the House to suspend Standing Order 102 so as to allow this bill to go to the Committee of the Whole rather than to the Standing Committee on Miscellaneous Private Bills. Is this agreed?

Mr. Peters: Was it the intention that this bill should be referred under the Standing Order to a committee? The effect of the amendment proposed would be to disfranchise all those who do not have an opportunity to participate in a vote on any proposal to change the address of the head office. The obvious question to ask is whether this proposal has ever been opposed in the past.

Mr. Moreau: No. It has not been opposed. Members vote by mail, but the ballots returned never amount to two thirds of the membership. They have an opportunity to vote but do not exercise it. I think this is understandable in the light of the far-flung membership that this would happen.

Mr. Deputy Speaker: Does the hon. Member have the unanimous consent of the House?

Some hon. Members: Agreed.

The house in Committee on Bill No. S-12 respecting the Canadian Institute of Mining and Metallurgy—Mr. Moreau—Mr. Lamoureux in the Chair.

On clause 1—*Repeal.*

Mr. Scott: I gather the purpose of the amendment is to change the method by which the head office can be moved around.

Mr. Moreau: Basically, that is the purpose of the bill. We are asking for a change in the incorporation so that the head office of the Institute can be moved by a two thirds majority of the votes returned rather than by a majority of the entire membership. The Institute has a large membership; I am sorry I am not able to inform the Committee as to the precise number but it is probably in the thousands, and some of the members are outside the country. It has proven practically impossible to get a two thirds vote returned when any vote is taken.

Mr. Ormiston: Will the hon. Member tell us where the headquarters is at present? If this bill should pass is it intended to move it to some other area?

• (6:20 p.m.)

Mr. Moreau: The head office is now in Montreal. I think it may be desirable to move it elsewhere depending on the residence of the president and head officers in any given year. It may be something that could be considered by the membership, at least in the future, as to moving the office rather than having it fixed in one spot.

Clause agreed to.

Preamble agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the said bill be read the third time; now?

Some hon. Members: Now.

Mr. Moreau moved the third reading of the bill.

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

THE PACIFIC COAST FIRE INSURANCE COMPANY

Mr. Grant Deachman (for Mr. Basford) moved the second reading of Bill No. S-14, respecting the Pacific Coast Fire Insurance Company.

He said: Mr. Speaker, the purpose of Bill No. S-14 is to change the name of The Pacific Coast Fire Insurance Company to the Century Insurance Company of Canada in English, and in French to La Compagnie d'Assurance Century du Canada; and to provide for an increase in the capitalization of the company from $1 million to $2 million. The Pacific Coast Fire Insurance Company is well known on the Pacific Coast in the Vancouver, B.C., area. It was initially incorporated as a provincial company, under the laws of British Columbia, in 1890. In 1908 the company applied to Parliament and received a statutory charter. Since 1920 the Pacific Coast Fire Insurance Company has belonged to "The Century Group" of insurance companies which has its head office in England.

The head office of The Pacific Coast Fire Insurance Company is in Vancouver, B.C. The company at the present time carries on business in every province of Canada except Prince Edward Island, and also writes contracts of insurance in the United Kingdom and the United States. In addition to its offices in Vancouver it has branch offices in Calgary, Edmonton, Winnipeg, Toronto and Montreal. The company has a staff of 93 employees in its Canadian offices.

In 1964 the company, which writes all classes of insurance except life insurance, earned net premiums totalling $3,096,300, of which $1,486,000 were earned in the United Kingdom and $392,000 were earned in the United States. The balance of $1,218,300 was earned upon the company's Canadian business. The aggregate of sums insured in Canada in 1964 was $140,548,600.

Motion agreed to and bill read the second time.

[Mr. Moreau.]

Mr. Deputy Speaker: Pursuant to Standing Order 105 the said bill stands referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Ian Grant Wahn (St. Paul's): Mr. Speaker, may I ask the unanimous consent of the House to consider in Committee of the Whole, Bill No. S-7, relating to Interprovincial Pipe Line Company, which bill was reported from the Transport and Communications Committee, without amendment, earlier today.

Mr. Peters: Mr. Speaker, I am not aware that it was reported. In any case the hon. Member has not unanimous consent.

IMMIGRATION ACT AMENDMENT

MEASURE TO PREVENT FOREIGN INTERVENTION IN INDUSTRIAL DISPUTES

Mr. J. N. Ormiston (Melville) moved the second reading of Bill No. C-12, to amend the Immigration Act (Foreign Intervention in Industrial Disputes).

He said: Mr. Speaker, I hope that bringing this bill before the House will accomplish some of the things which previous bills have done in bringing matters of interest before the House for discussion. It seems, Sir, that from time to time facts are brought to our attention which indicate that there is an ever-increasing American influence on the Canadian way of life. This has been pointed out on several occasions by the Minister of Finance (Mr. Gordon), who has endeavoured by legislation and other means to rectify this situation and who has stressed the need to give Canadians the opportunity to buy back their own heritage and their own resources. That is only one aspect of this question; the other concerns the influence of American culture on the Canadian way of life.

We know that by legislation the programming of our national television and radio is restricted to a certain American content in order that Canadian producers and artists are able to make their mark in their own chosen professions. However, Mr. Speaker, there is one aspect of Canadian life which seems to ignore the American influence, and that is in the field of labour and management relations. That is the reason the bill is before the House at this time.

Specifically, the purpose of this bill is to keep Canadian the disputes, negotiations and settlements that occur in Canada between employer and employee, and to prevent

foreign fomentation and fermentation of these disputes into test-tube experiments for the benefit of foreign power groups without regard to Canadian employer-employee interests. We have had many instances of foreign participation in our labour relations. As a matter of fact it has been so marked that not so long ago the C.B.C. or some of those who participate in presenting the programs found it advisable to present to the Canadian public a documentary on what happens when there is undue influence brought to bear in a strike in which labour and management are concerned. I refer to the C.B.C. program which caused a great deal of interest several months ago, namely "This Hour has Seven Days", which related to the strike between the Toronto newspapers and the printers.

Here was a situation where we had almost reached agreement between labour and management. However, because of the participation of American strike promoters, who fomented some discord, the strike was kept going; in fact, I believe it is going at the present time. In Canada we have had newspaper strikes where theoretically some of the staff have been on strike for 17 or 20 years. But it takes on a very dangerous aspect when we find that the relations between labour and management are adversely affected by the participation of people from outside this country.

We realize, of course, that there is a very close relationship between Canadian trade unions and those in the United States.

• (6:30 p.m.)

Many of the unions in this country are of the international type with headquarters in the United States. This, of course, is advantageous to Canadian unions in the event of a prolonged strike because they have the benefit of the finances which are enjoyed by unions across the line, making it possible to finance strikes when they go for long periods.

The situation also arises wherein Canadian unions enjoy the support of the international unions when negotiations are carried on and the pension funds are all disbursed from the United States. However, this did not prevent some of the C.B.C. staff from bringing to the attention of the public some of the injustices in this dispute. If we review the script we are caused to wonder why the Canadian public stand idly by and see this type of intervention continuing. It is interesting to examine the research done by the C.B.C. staff and realize that much of the material which they produced was in fact very factual. The strike in question drew comment from people all across Canada, for the simple reason that it was a strike which neither the publishers nor the union really wanted. But it was a strike which neither the publishers nor the union could afford to lose.

Some classic statements have been made in connection with this strike because it seemed on the verge of settlement so many times. It is interesting to note that those who had done so much research on the topic discovered that three times the officials of the local union No. 91 of the I.T.U. had reached agreement with the newspapers on the issue. However, three times the agreements were rejected by the headquarters of the printers union in Colorado Springs. This, Mr. Speaker, is a sad commentary, because it shows that while we have Canadian labour and management agreed on a settlement, there was this interference and participation by an international union across the line which deprived the newspapers and the others involved of the privilege of reaching a satisfactory settlement.

It is unfortunate that this situation should take place in light of the fact that those involved on this side of the border were quite in agreement as to what should take place. However, the commentary by the C.B.C. investigators went on to say that local 91 struck because its international headquarters in Colorado Springs could not afford to give way to automation, or so it believed.

Again the question could be asked: Why did the Toronto printers strike? Why did they accept the dictation of their U.S. headquarters, turning down three pretty genuine offers from the publishers? One reason, of course, is that the I.T.U. in Colorado Springs controls the pension fund. This is unfortunate because it is the financial aspects of the situation which seem to be the key to the whole problem. This is a challenge, I imagine, to Canadian unions to produce some type of pension plan which will be satisfactory to the membership and make them independent of forces across the border.

It is not only the C.B.C. which was interested in bringing this aspect of Canadian labour and management relations to the attention of the Canadian public. It is more than interesting and timely to note what the Premier of Quebec said about this arrangement between international unions with headquarters across

the line and local unions in Canada. He had some difficulty with legislation regarding pension plans which were controlled on the other side of the border. According to the Ottawa *Citizen* for July 16, 1964 he said:

> We cannot touch the international unions. There would be a risk of a general strike of all the locals of the international unions in the province until we gave way...
>
> The great misfortune in Quebec province is that strikes by international union locals can never be settled unless the little local pawns received permission by telephone from their bosses in the United States...
>
> This is the truth. Why bury your head in the sand and refuse to recognize the truth for the truth?

Many of us, Mr. Speaker, have been independent of labour unions and of management, but we feel that the time has come to give some serious study to this whole problem. I do not suppose there is any other country in the world which has its local union with headquarters in a foreign country to the same extent that Canada has. It seems to me that if Canada is going to be able to control its own destiny, promote its own ideas and enjoy its own culture, then something should be done in the not too distant future to make certain that we do achieve a certain amount of independence from our neighbour, friendly though they are. It is for this reason that this bill is brought before this House, simply, as it says in the explanatory note, to keep Canadian those disputes which concern only Canadians.

Mr. Hubert Badanai (Parliamentary Secretary to Minister of Citizenship and Immigration): Mr. Speaker, this bill would amend section 7 of the Immigration Act, which reads as follows:

> The following persons may be allowed to enter and remain in Canada as non-immigrants, namely, persons engaged in a legitimate profession or occupation, or who, having entered are in Canada for the temporary exercise of their respective callings.

The hon. Member would add the following:

> —no person so engaged shall be allowed to enter Canada or to remain in Canada as a non-immigrant where there is a dispute, collective bargaining, lockout or strike, as defined in the Industrial Relations and Disputes Investigation Act, in the profession, trade or occupation of that person anywhere in Canada.

It seems to me that this is an attempt to use immigration legislation to solve what is essentially a labour problem. From the hon. Member's explanation it seems quite clear that this bill was inspired by the strike against the three Toronto newspapers which began a year ago, and is still unsettled.

[Mr. Ormiston.]

In the course of this strike we allowed the temporary admission or organizers of the International Typographical Union from the United States. Unfortunately this brought about criticism against the three Toronto newspapers involved in the strike as well as some unfavourable comment, on the ground that the American union officials, by their activities and presence in Canada, were prolonging the dispute and preventing a settlement between the publishers and the local union. This is precisely what the hon. Member is trying to convey to the House. At the same time we allowed the admission of a handful of American printers to take on work for the publishers, and this generated more criticism from the union involved.

• (6:40 p.m.)

Our position in respect of the union organizers is clear enough. The Act provides for the temporary admission of such persons and we would no more be justified in refusing their admission than we would be in refusing the admission of consultants to management or key supervisory personnel coming for a specific purpose and period of time.

Moreover, the Act does not provide us with the authority to refuse the admission of these advisers. This bill is apparently designed to overcome that, although in a statement attributed to the hon. Member, as reported in the Toronto *Telegram* of April 9, 1965, the bill is intended only to "keep out United States union officials seeking to make trouble in Canadian labour disputes".

Our position in respect of the printers is less clear. They applied for permanent admission to take work with the Toronto publishers and were, in all respects, considered eligible for admission under the terms of the Act and the Regulations. The law makes no provision for the exclusion of an immigrant solely on the ground that his prospective place of employment is not to the liking of government, management or labour.

It may be desirable to have such a provision in immigration law, but it is not there now and as a result we are forced to rely on such grounds as lack of visa or other instruments of admission, if we want to refuse a would-be immigrant who is acceptable on all counts except that he is going to work at some job where a strike is in progress. The Immigration Act provides for refusal on these grounds, but their validity has never been tested in the courts; in any event, they are difficult to justify in the public's eye and are themselves a focal point of criticism.

In all these questions the Department of Citizenship and Immigration has tried to maintain a neutral position. We do not hinder the temporary admission of anyone coming in a purely advisory or consultative capacity to labour or management.

Aside from the question of its application to Canadian immigration legislation, the bill has a serious technical defect. It would exclude from Canada any person coming temporarily for any purpose relating to his profession, trade or occupation as long as a labour dispute of any kind existed anywhere in Canada in that person's profession, trade or occupation. This would include technicians coming to repair or service foreign machinery or equipment, administrative personnel, business consultants and professional advisers, whether or not a labour dispute was in progress at the plant or in the area to which they were destined.

There is much to be said on the surface for the proposition that labour-management disputes occurring in Canada, or in the United States for that matter, should be settled in each country without foreign intervention, but a close examination of the facts of industrial life as they have developed over the past 100 years or more does not reveal that this bill can make any contribution to support such a proposition.

There are a large number of transportation operations that run between Canada and the United States, and periodically seniority arrangements compel employees and trade union officials to change their country of residence. In certain circumstances, this bill could prevent such interchange even though there was no connection with a dispute, or collective bargaining, or a strike. There are U.S. rail lines running through southwestern Ontario on which Canadians are employed.

A U.S. railway official could not run into Canada on these lines or on any other rail line running into Canada while a Canadian dispute was in progress, if this bill became law. We would need to station immigration officers in every airport in Canada to turn back air lines personnel, if the international unions they were members of were merely engaged in collective bargaining in Canada.

The hon. Member is mistaken also in supposing that all labour relations advice and guidance that goes both ways across the Canadian and U.S. border through the medium of travelling representatives in "foreign fomentation", would be stopped, as stated in the words of the explanatory note to the bill:

—to prevent foreign fomentation and fermentation of these disputes into test-tube experiments for the benefit of foreign power groups without regard to Canadian employer-employee interests.

Most of this interchange across the border is helpful and constructive and is sought after by employers and trade unions alike, even though for publicity purposes some employers and trade unions in Canada decry the intervention of U.S. unions and companies during disputes. At other times each accepts the fact without question.

Most of the provinces of Canada have somewhat different labour relations and disputes legislation and have mediation services that are designed to deal with disputes. The provisions of this bill would merely add one more complication where enough already exists.

In short, this bill will not achieve its apparent purpose of keeping out of Canada all foreign intervention in Canadian labour troubles. If it is intended to interrupt communication between Canadian and foreign interests during a dispute, a prohibition against the entry of foreign representatives would only be an unfair attitude, since nothing can be done to prevent the exchange of ideas between Canadian and foreign industrial interests and Canadian and foreign labour organizations.

In so far as the actual functions carried out by these representatives are concerned, no doubt persons already in Canada are available, if needed, to perform these functions with the advice and guidance of the foreign interests concerned in the outcome.

I may also add that the immigration White Paper, when presented to Parliament, could result in a complete overhaul of immigration legislation at which time these and all other questions relating to the application of the law would receive the most intensive review to eliminate any deficiencies and inconsistencies which may now exist, and for that reason I would suggest that action on Bill C-12 be not taken at this time.

• (6:50 p.m.)

Mr. M. L. Klein (Cartier): Mr. Speaker, I am ready to admit that every sovereign nation wants to emphasize its own independence, but with respect to the question of labour unions we have to consider the whole matter on balance, and on balance there is a definite advantage in having international unions. I think I can best illustrate that by this fact. I am not suggesting that the hon. Member for Melville (Mr. Ormiston) is opposed to labour unions, but the basis of a healthy

democracy is a strong and independent labour movement. I do not mean by that that an independent labour union must not have its headquarters in the United States or be open to outside influence.

The hon. Member said that he knows of no other country whose labour unions have their headquarters outside the country. We all know that, in Argentina, Peron used the labour movement for the purpose of suppressing the people. I am of the belief that if there had been international labour unions in Argentina which could have influenced the labour movement of that country, or if there had been international labour unions in the Dominican Republic or even in Cuba, we might not have had the spectacle of Peron, Trujillo and Castro because the international unions would have exerted influence on the labour movements in those countries, which would have kept those countries democratic and would not have allowed dictatorships to rise. This is my viewpoint.

Mr. Ormiston: May I ask the hon. Member a question? Were there democratic labour unions in the European countries when they were taken over by dictators?

Mr. Klein: I do not know which countries the hon. Member is referring to. They had labour unions, but they did not have international labour unions which would have given the local unions the strength to oppose dictatorships. This is the point. It was the international labour unions that carried the fight in democratic countries to see to it that dictators did not take over those countries. It is only in countries where the labour movement is strong that democracy is strong.

Labour unions are the foundation and roots of democracy. If a labour union in our country can be given added strength by having the support of a labour union in the United States where international unions were born, then I am all for it, because I am in favour of a strong labour movement in Canada and in every other democratic country in the world.

Let us examine for a moment the facts of industrial life as they exist in Canada and the United States and as they have developed over the last 100 years. I am sure our findings would not reveal any need for such a bill. Let me give another example of why I think it is important to have these connections with international labour unions. Canada and the United States have probably the highest standard of living in the world but it is becoming increasingly more difficult for us to compete in foreign markets with those nations that do not have strong labour movements controlled internationally, because in those countries slave labour can be engaged with the result that they are able to produce more cheaply the same kind of articles that we produce. In addition, the cost of living is much less in those countries. The result is that it is becoming increasingly more difficult for us to compete in foreign markets with countries where labour unions are not strong.

One can only come to the conclusion that the purpose of the bill runs counter to our economic history and geography and that its provisions are unworkable and indeed unenforceable. In essence it may deprive certain individuals of their basic civil liberties even in excess of the rights denied in the famous Sibley immigration case. For example, it is conceivable that disputes, grievance procedures and collective bargaining could be taking place constantly in such a widespread resource as the forest industry. Finally, Mr. Speaker, I should like to repeat what I said at the outset, that international unions have a place in strengthening democracy and they have a place in maintaining the competitive market that Canada and the United States are so sorely in need of throughout the world.

May I call it seven o'clock.

Mr. Deputy Speaker: Order. The hour appointed for the consideration of private Members' business has now expired. Pursuant to agreement reached earlier this day the House will now revert to motions.

• (7:00 p.m.)

ADMINISTRATION OF JUSTICE

STATEMENT BY PRIME MINISTER ON REPORT OF DORION COMMISSION

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am grateful to the House for reverting to motions so I can make a short statement on the matter which I mentioned this afternoon in tabling what is now known as the Dorion report. Normally, Mr. Speaker, after receipt of a report of a royal commission which has been examining matters involving questions of policy or controversy, a government may take some days or even weeks to examine the recommendations or conclusions before having the report publicly released, so that the government at the time of release may give an indication of its own policy in respect of these recommendations or conclusions when that policy has

been decided. In the case of the present report, however, it was not submitted to the Government until my return from the Conference of Commonwealth Prime Ministers at 7.40 last night. It was placed before the Cabinet for its information at a meeting at eleven o'clock this morning.

Because of the very great interest in this matter and the degree to which Parliament very properly feels concerned over the conclusions that the Commissioner has reached, the Government felt that the report should be released immediately, and it was for that reason I tabled the report this afternoon. Because of the speed with which action has been taken, the House will understand that the Government has not had an opportunity fully to consider what action it should take with regard to all the conclusions that have been reached by the Commissioner.

Pending this further consideration, after which an announcement will be made, I should like to remind the House at once that the Commissioner in his report has given the opinion that there is prima facie evidence of an offence under the Criminal Code in one case; and conspiracy to obstruct the course of justice in certain others.

The Government has today referred these conclusions to the Deputy Minister of Justice with instructions to examine them at once and advise what action with respect to criminal proceedings should be taken.

There is one other matter arising out of these developments which I wish to announce to the House. The Minister of Justice (Mr. Favreau) this morning submitted his resignation to me. After discussing the matter twice with him, I have no course but to advise His Excellency to accept it. I do so with very deep regret.

My hon. friend remains a man and a Minister of unimpeachable integrity—

Some hon. Members: Hear, hear.

Mr. Pearson: —and unsullied honour. He is a devoted and unselfish servant of Canada and of his own province. He entered political life only because he was persuaded—and I had something to do with the persuasion—that he could make a contribution to his country's unity and welfare.

Some hon. Members: Hear, hear.

Mr. Pearson: I have, therefore, asked him to continue that contribution by considering the acceptance of another post in the administration which would be offered to him. He has written me on this point as follows, and perhaps, Mr. Speaker, I may conclude by reading his letter which I received just a few moments ago:

My Dear Prime Minister:

Since our talk this morning when my offer of resignation was discussed, I have given very serious consideration to your request, supported by our colleagues, that I continue in the Government.

As I have already stated to you, it is my view that the conclusions of the report, as far as I am concerned, are tantamount to no more than a statement on the part of the Commissioner that, had he been in my place, he would have exercised his discretion in a different fashion.

I wish to repeat that my resignation was tendered, not out of a feeling that I had done anything wrong, but because of the feeling that my usefulness as Minister of Justice had been impaired by the situation which has developed.

I need not say how deeply moved I am at the confidence which you, Mr. Prime Minister, and my colleagues have shown me in suggesting that I carry on.

Therefore, while I must insist that my resignation be accepted as Minister of Justice, I would be willing to continue to serve in some other capacity.

May I take this occasion to say how very grateful I am for your kindness and consideration and for your unfailing support during difficult and, at times, even cruel days.

Yours faithfully
Guy Favreau.

Mr. Speaker, that is the statement which I wish to make to the House at this time on motions, and after further consideration has been given to the conclusions of the report, as I have said there will be further statements to be made by the Government.

Mr. Erik Nielsen (Yukon): Mr. Speaker, we have listened to the announcement by the Prime Minister (Mr. Pearson) with interest, and I with a degree of personal regret.

One of the concomitants of political life, particularly in the case of Ministers of the Crown, is that those Ministers who are by selection entrusted with the high degree of responsibility which they have to discharge, must discharge that responsibility with an accuracy of judgment and an unimpeachability which can never be questioned.

The administration of departments such as those of—and I select these at random—Fisheries, Industry, Agriculture, perhaps Northern Affairs, do not carry that same high degree of responsibility that the portfolio of Justice does. The government of the day, whichever government it is, cannot expect the continued absolute confidence of the people of this country unless there is that absoluteness of confidence in the administration of justice in Canada.

One only has to place oneself in the shoes of an ordinary citizen when reading the report of Mr. Justice Dorion to come to the conclusion that serious doubts exist as to the ability of the present Minister to carry on in that portfolio. I find this personally regrettable because I find myself in agreement with the words of the Prime Minister, where he has made reference to the honour and integrity of the Minister concerned. But having said that, the portfolio of Justice is no place for any individual occupying that portfolio to have any lack of judgment such as that which would cast doubt on the administration of justice in Canada.

I think the course the Minister has followed is the only honourable one he could follow, and the course of the Prime Minister in accepting that resignation and making the recommendation to the Governor General that he intends to make, is the only course which he could follow.

The Minister has my commiseration in that I believe his own Prime Minister let him down seriously in the conduct of his responsibilities in the portfolio he occupied.

• (7:10 p.m.)

The report of Mr. Justice Dorion is nothing less than a serious blot on public life in Canada because it not only affects the Minister of Justice in the manner in which the Prime Minister has expressed, but it affects others in public office. It affects the hon. Member for Dollard (Mr. Rouleau), about whom the Commissioner had some very pertinent observations to make, observations which if made in terms of broader terms of reference might have carried more serious consequences indeed in terms of his findings. I imagine this is one of the considerations the Government will have in mind when giving further thought to what should be done.

I take no particular relish—indeed, I take none—in the product of the report of Mr. Justice Dorion. When on November 23, I first raised this matter in the House I did so because I thought it was my responsibility to do so. Members will forgive me if I recall to their minds the comments, not too kindly, from the other side of the House accusing me of a smear, innuendo and MacCarthyism when I was placing these serious matters before hon. Members—matters which have now been given the official sanction of finding by an honoured and able Justice.

Some hon. Members: Hear, hear.

Mr. Nielsen: It is an emotional moment for me, and it makes me rather sad to think of the image the administration of justice in this country must have because of the events which have transpired. I cannot refrain from mentioning here the conclusions of Mr. Justice Dorion with respect to Mr. Letendre, who has continued in office throughout the investigation and who, I understand, still continues in office, and whose conduct was described by Mr. Justice Dorion as reprehensible. It seems to me that the least decision the Government could reach, and forthwith, is that Mr. Letendre should be suspended from any further connection with the Department of Justice. He is a gentleman who now has access to secret, top secret and confidential files. Having regard to the conclusions made in regard to him by Mr. Justice Dorion it seems the Government should have made an announcement tonight that the services of this gentleman are terminated forthwith.

I might also express at this moment my personal satisfaction with respect to the findings of Mr. Justice Dorion regarding the conduct of Mr. Lord, conduct which I described on November 23 as that of an innocent dupe. This is borne out by the findings of the Commissioner. I believe the immediate course of the Government in referring the recommendations of the Commissioner with respect to the finding of a prima facie case against certain involved individuals and of the recommendation for the laying of information under the conspiracy sections of the Criminal Code—the reference of these matters to the Deputy Minister of Justice—is one which should have been taken in the first instance. No doubt now that the able and talented officers of the department, have been given the green light to bring their talents to bear on these matters, the appropriate conclusions will be arrived at.

As the Prime Minister has said, between the production of the report at 2.30 and the present moment, very little time has elapsed in which to study these findings. The Official Opposition has had even less time than the Government to consider its ramifications. It is therefore not possible to make recommendations in full as to all the conclusions which have been reached by Mr. Justice Dorion. But no doubt we shall have further observations to make when announcements are made by the Prime Minister on this subject in due course.

My last remaining comment on this whole matter has to do with a question which was introduced into the inquiry by the side door, as it were. It affects one individual who had

given 14 years of devoted service to the Government and another who was his assistant in the Indian Affairs branch of the Department of Citizenship and Immigration. I speak of Mr. William Grant and Mr. Joseph Armishaw. Mr. Grant and his trial have been the subject of editorials in the western press. Mr. Armishaw, I am informed, was acquitted last week of charges of forgery laid against him. I think I can find no better comment to recommend the services of these two devoted civil servants to the administration than that uttered by the Supreme Court Justice who tried both these cases when he said, in the case of Grant: "If I were in Grant's shoes I only wish I had the courage to do as he did."

I urge the Government to reconsider both these cases, since they seem to have been involved with the raising of the matters which gave rise to this inquiry in the first place. I am not attributing any motives whatsoever in this respect, but I suggest to the Government that amends must be made to these civil servants in order that justice may be done.

Mr. Munro: Would the hon. Member permit a question?

Some hon. Members: Order.

Mr. Munro: I just wonder whether the hon. Member would permit a question.

Mr. Deputy Speaker: Order. There are no questions permitted at this time.

Mr. Andrew Brewin (Greenwood): The report of Chief Justice Dorion which we have just read, or seen, reveals in our opinion a very grave situation, and the Prime Minister has failed so far to discuss in any way the serious implications of the report. I hope that before this part of the session is over we shall be given a detailed account of just what is to be done about this situation.

The fundamental fact is that the Commissioner has accepted the evidence of Mr. Lamontagne that he was offered a bribe of $20,000 by the executive assistant to the Minister of Citizenship and Immigration in order to influence him to consent to bail for one Rivard, whose extradition was sought by the Government of the United States on narcotics charges. The key sentence of the report is to be found at page 11:

> He (Mr. Lamontagne) there met Mr. Denis who offered him a sum of $20,000.00 if he would agree to have Rivard released on bail, pointing out that the Liberal Party would receive a substantial amount should such bail be granted.

In other words, to put it plainly, organized international crime was able in Canada, as it has done in so many other parts of the world, to reach into the circles of Government in order to pervert justice with bribery and corruption.

Perhaps the most serious question of all which faces this House is the adequacy of the reaction of those primarily responsible for the administration of justice. The report of the Commission has freed the Minister of Justice from any imputation of personal impropriety. As far as I know, no one has ever suggested there was any personal impropriety on his part. I want to say that many Members of this House, including some on this side, will have heard of his resignation with a great deal of personal regret. We have admired both his courtesy and his integrity.

• (7:20 p.m.)

Some hon. Members: Hear, hear.

Mr. Brewin: But, Mr. Speaker, in our opinion it would have been quite impossible for the Minister to have taken any other course than that which he has taken, and quite impossible for the Prime Minister (Mr. Pearson) to have taken any other course than to accept the resignation presented to him. I do not think this would be a proper occasion to go into the points that we might have chosen to make if we had not heard of this resignation tonight. I do not intend to do that. I think one thing has to be pointed out, though, that is not part of this report and which is one of the most extraordinary things, in my view. It is the fact that the hon. Member for Dollard (Mr. Rouleau), Parliamentary Secretary to the Prime Minister of Canada, was known by the Minister of Justice to be implicated. Indeed, at one stage the officers of the R.C.M.P. reported that they believed the Member for Dollard to be the kingpin in the whole sorry mess. Although this view was not supported by the evidence, and I notice that it was not found by the Commissioner to be so, the Commissioner has nevertheless found that the hon. Member for Dollard attempted to influence Mr. Lamontagne with a view to securing Rivard's release on bail and this, the Commissioner said, constituted a reprehensible act. The Minister of Justice was fully informed of the details of the involvement of the Member for Dollard, and it appears that not a word was said to the Prime Minister, whose Parliamentary Secretary the Member for Dollard was. We find this failure to be quite incredible. Surely the Minister

of Justice owed it to his senior colleague to tell him of the implication in a matter of this sort of the Prime Minister's own Parliamentary Secretary, and to tell him promptly and fully.

I do not choose to go into other aspects of the matter at this time, because they are in the report which we have here, and it is not our intention to castigate the Minister in any way—that is out of place at this time. But, Mr. Speaker, it must be remembered that this was no ordinary matter of routine dealing with the criminal law. The allegations involved persons intimately associated with the process of government. An executive assistant such as Mr. Denis was clearly in a position, as confidential adviser and close associate of his Minister, to make important decisions. He appears to have been a young man with many important political connections. Mr. Denis was able to introduce another political associate, one Mr. Masson, to other executive assistants. This associate of Mr. Denis is described by the Commissioner on page 64 of his report as coming into the game perfectly willingly, surmising in all probability that he stood to gain a very substantial reward, and decided to exploit his relationship with Mr. Denis to the full. In these circumstances, Mr. Speaker, the people of Canada and this House are entitled to expect that the Prime Minister will take vigorous and determined action.

The evidence indicates the view of the Commissioner that there was a prima facie case against Mr. Denis of a criminal act, namely the offering of a bribe to obstruct the course of justice. What action is to be taken on that? We would like to hear the answer. The Commissioner's report indicates that the Member for Dollard while a Member of this House was guilty of a reprehensible act which was in conflict with the normal course of justice. In this connection, Mr. Speaker, I want to refer to page 109 of the Commissioner's report, where he is dealing with the memorandum of Inspector Reed of the R.C.M.P. which said:

> It would appear Letendre, Lord and Denis were all approached by Mr. Guy Rouleau, M.P., to make representation on behalf of Rivard so the latter could be released on bail. It appears Rouleau's brother may have approached him to see if he (the M.P.) could influence any persons in the Government with respect to the release of Rivard on bail. On the basis of our enquiries to date, we can only show this, and such an approach is not unusual in political circles.

Those words "and such an approach is not unusual in political circles" are underlined

[Mr. Brewin.]

in the report of the Commissioner, quoting Inspector Reed. The Commissioner goes on to make this comment:

> If it is true that representations such as those made to Mr. Lamontagne are not exceptional in political circles, it is impossible to admit that when such representations are made with a view to obstruct the course of justice, they should be either permitted or tolerated.

If I may add a comment, Mr. Speaker, I would say that politics is indeed in a sorry state when senior police officers accept as a matter of course that improper political interference may be made in the affairs of the administration of justice.

What action is to be taken, then, in respect of the Member for Dollard? I think we will want to know the answer to this question. The evidence, again, indicates that in the view of the Commissioner a group of witnesses, namely Mrs. Rivard, Eddy Lechasseur, Robert Gignac and Guy Masson, conspired to obstruct the course of justice. What action is to be taken against these people? I suggest, Mr. Speaker, that this report will have to be studied very carefully to see whether all is well in the higher levels of the R.C.M.P. It would appear that the Commissioner had serious doubts as to whether the advice apparently given to the Minister of Justice by the Commissioner and Deputy Commissioner of the R.C.M.P. was adequate, or the inquiries as vigorous and effective as they ought to have been.

All in all, Mr. Speaker, the people of Canada will not be satisfied, and this Parliament should not be satisfied, with anything less than full and vigorous action by the Prime Minister in respect of every aspect of this report. The people of Canada will not be satisfied to have the resignation of the Minister of Justice treated as a sort of sacrificial offering which makes it unnecessary to deal further with these matters. The system which produced this unhappy mess requires radical revision.

• (7:30 p.m.)

[*Translation*]

Mr. Gérard Chapdelaine (Sherbrooke): Mr. Speaker, the members of our party regret that the Dorion report has brought about the resignation of the Minister of Justice (Mr. Favreau) who, by his noble gesture, has recognized that politics does not allow any margin for error. We hope, however, that other members who, in my opinion, are a lot more guilty, will do likewise and I will not hesitate to mention, among others, the chief commissioner of the R.C.M.P. who has

made gross mistakes during the inquiry which has produced the report on this scandal. I will not name all the officers under his supervision who would deserve the same fate, but it is easy to suspect all the others who are condemned by the Dorion report.

It seems, when reading this report, that everyone made mistakes in this matter, beginning with the Minister of Justice, including the chief commissioner of the R.C.M.P., down to the guard at the Bordeaux jail.

One can hardly require that human beings never make mistakes and I think that in politics it must be recognized that, in similar circumstances, a mistake results in such disastrous consequences. We are satisfied that charges will be laid against the culprits, against those who committed perjury, against those who performed their duties improperly or exerted undue influence, and we shall wait anxiously for the outcome of those charges.

However, we must point out that the hon. member for Yukon (Mr. Nielsen), who started all this, does not seem very honest by failing to pay tribute to hon. René Tremblay who was entirely exonerated from blame. The Dorion report states textually:

> Evidence shows that the conduct of Mr. Tremblay is absolutely beyond reproach.

And yet, if I remember rightly, the first attacks were made expressly against that minister who also had the courage to resign when he felt that his reputation was in danger. The hon. Member for Yukon would have been well advised to quote the good words Mr. Justice Dorion had about the people mentioned in this report. Allow me to mention among other things the following conclusion:

> The Minister of Justice was justified, at that time, in believing that a charge laid against a person or persons involved would have been difficult to prove before the courts.

I mention this fact because the hon. Member for Yukon himself, when he made those charges, made insinuations; yet he had the same information as the Minister of Justice because he had the same file, and he dared not make charges himself, he simply made innuendos.

I say that because in his conclusions, Justice Dorion complains that his powers were not broad enough. I have personally asked in the house for broader terms of reference for the Dorion royal commission so that it could find out the sources of the hon. Member for Yukon. In my opinion, the administration of justice is quite an important matter and it must be above suspicion at all levels. If we cannot be assured that secret investigations made by the R.C.M.P. will not fall into the hands of anyone at any time I believe that it is of the utmost importance to hold an inquiry as soon as possible to determine where the hon. Member for Yukon got that information.

If such information can cause a minister, a member of parliament or a senior official to resign, then I think the people are entitled to know how the said information, causing such serious damage, leaked. On the other hand, Mr. Speaker, I should like to point out since the Dorion inquiry started, newspapers have always had information which the Members of the house did not have and which, today, are found to be true, because they coincide with the conclusions of the Dorion inquiry report.

I think the government should make an investigation in order to find out how such information could be divulged before we knew about it.

In conclusion, I wish to say that we are satisfied with the steps which the government proposes to take in order to correct what has to be corrected.

Following this report I should like to draw to the attention of the right hon. Prime Minister (Mr. Pearson) and the cabinet that the French language is treated in a most revolting way within the R.C.M.P. and that reforms should be undertaken within that organization, considering the attitude taken by its officers toward the French language.

• (7:40 p.m.)

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, first of all, I wish to congratulate Mr. Justice Dorion for his report drafted in an intelligent, impartial, brief and precise manner. I believe Mr. Justice Dorion deserves the congratulations of the house for the manner in which he discharged his duties and prepared the report which is being tabled today.

Then, I would also like to quote an extract from Mr. Justice Dorion's report, on page 137, concerning the Postmaster General (Mr. Tremblay) which states:

> Evidence shows that the conduct of Mr. Tremblay is absolutely beyond reproach.

I believe that this deserves to be mentioned, and especially after the numerous innuendoes made in the past in this connection. I should like particularly to refer to the last sentence on this page:

Dorion Commission

If Hon. R. Tremblay has suffered consequences from statements or certain published comments, it is to be hoped that the persons responsible will now recognize his honesty and integrity.

Mr. Speaker, I still remember, because it struck me, the question directed to him by the hon. member for Yukon, namely:

"Where were you on the 14th of August, at 8.30"?

That was a bit strong.

Mr. Robichaud: It was dirty.

Mr. Grégoire: I expected that the member for Yukon would be the first to mention the following words:

—it is to be hoped that the persons responsible—

This being said, let us deal with another matter. The most striking thing in this report is that the international underworld has succeeded in worming its way even within the federal government. That is most disturbing for those who uphold justice and legality.

How could members of the underworld manage to find their way into the very waiting rooms of our ministers, without the latter knowing about it? The matter is serious indeed, and I feel that upon reading the Dorion report the Prime Minister (Mr. Pearson) should order a complete inquiry, to straighten things out.

It is easy to see—it is obvious right through the evidence—that the electoral funds of the Liberal Party, which on two occasions was able to pay high amounts for advertisement on television or through other media, has been fed too long a time by members of the international underworld. Today we have proof of this. And what is serious is that upon perusal of the findings of the Dorion inquiry, we find that too many members of the underworld have infiltrated the party through the electoral funds, and I am wondering whether the Minister of Forestry (Mr. Sauvé) is not entirely right when he condemns this attitude and whether his colleagues of the Liberal party should not listen to him a little more than they do at present, and that for the benefit of the Liberal party and of all Canadians.

The former Parliamentary Secretary to the Prime Minister (Mr. Rouleau), perhaps out of näivety, maybe without full knowledge of the facts or simply in order to do a service to his constituents, did certain things but I am of the opinion that in matters of this kind, one has to be cautious.

I now come to the case of the Minister of Justice (Mr. Favreau). He made a tour of my constituency over the week end to organize the Liberal party, but that did not bother me too much. However, I was very affected when I learned he had tendered his resignation and that it had been accepted.

Like many of my colleagues in this house, I am of the opinion that the Minister of Justice was one of the most sympathetic members, and as I have already stated on television, on the French network of the C.B.C., I would not hesitate to grant him a certificate of integrity and honesty. In fact, I still have no hesitation to do so.

He may have acted in this way because he had too many occupations. It has been mentioned that he was the parliamentary leader of his party and party organizer for the province of Quebec. This gave him too much work and he lacked the time to look after everything. Anyway, through an unhappy turn of events, he has handed in his resignation and it has been accepted.

Mr. Speaker, I must say that I am immensely sorry, as I had a deep liking for the Minister of Justice. I should like to be considered as one of his friends and I deeply regret his resignation.

Mr. Speaker, I would say that he is not necessarily the one who is responsible. Eight or nine months ago—and the Minister of Justice is witness to what I am now saying—indeed, before all this happened, I told him that the R.C.M.P. wanted his head and that they would have it. They have been successful, Mr. Speaker.

Mr. Speaker, in reading the findings of this report, one notes everywhere that if the Minister of Justice has acted the way he did, it is because he was ill-advised and ill-directed by the R.C.M.P. We can find evidence of that everywhere in the report. It is stated on page 127 of the English version that when the R.C.M.P. presented the file on September 18, it was not even complete. We can also read the following:

On the other hand, he had not read Mrs. Pierre Lamontagne's statement. Neither had he read the highly important reports of Inspector Drapeau on his interviews with Mr. Denis. He had not seen the reports on the interrogations of Masson, Gignac, Mr. Raymond Rouleau, lawyers Daoust and Cohen. Nor had he read another most important report, dated September 3, prepared by Inspector Reed.

Consequently, on September 18, the minister did not have sufficient knowledge of the file to reach the proper decision and he was under the impression that the R.C.M.P. officers had explained to him all the facts that were relevant to the case.

And on September 18, the Minister of Justice was asked to take a decision. But the

R.C.M.P. had not even provided him with all the facts.

The Minister of Justice is the victim of the R.C.M.P.'s doings. That is why I repeat what I told him, eight or nine months ago: They wanted his head and they got it.

How many times did we not note the R.C.M.P.'s doings during the whole course of the inquiry? In my opinion, this fact has to be noted in connection with the report.

For instance, many of you will be taken aback by what appears on page 103 of the report:

> Superintendent Fraser was asked whether, at the the time he decided to appoint sergeant McLeod to conduct the investigation and later to assist inspector Drapeau, he would not have thought it wiser to have appointed a bilingual officer since most of the persons to be interrogated were French speaking. His reply is worth noting: "I never gave it a thought".

We then read the judge's comment:

> Not only the reply itself, but the manner in which it was given shows an offhand attitude which is certainly not to be expected from a senior officer of the Royal Canadian Mounted Police. He certainly gave the impression that he was a man to whom the French speaking population of Canada are a negligible factor.

The judge goes on commenting the appointment of inspector Drapeau:

> This was an excellent choice, for it has been shown that inspector Drapeau had all the qualifications needed for the post he holds and there is no doubt that had he had complete freedom of action, as we shall see later, the results would have been quite different.

It is clear that the Minister of Justice could have taken another decision and that today, he would not be in serious trouble as he is now.

On page 104 of the report, it is said:

> The subsequent decision to appoint sergeant McLeod as assistant to inspector Drapeau was not a fortunate decision either. How could sergeant McLeod have corroborated statements, made by French speaking persons to inspector Drapeau in the course of an interrogation if he did not understand French? The fact he is unilingual does not in any way affect sergeant McLeod's efficiency, but since a decision was being taken to appoint an assistant to the inspector, obviously the person appointed had to be able to understand what was stated in the course of the interrogations. Moreover, commissioner McClellan frankly admitted that sergeant McLeod could not give evidence in a court because he does not speak French.

I will read a little further to show that throughout that investigation, which took place during August and September, before the R.C.M.P. submitted its report to the Minister of Justice, the report prepared was not clear enough to enable the minister to take a decision. I quote another paragraph from page 105 of the report:

> Inspector Drapeau told our commission that under ordinary circumstances, when an officer is charged with the conduct of an investigation, he plans his interviews and his interrogations on his own initiative. But in this case, he said (translation) "I went nowhere without first requesting permission from Ottawa because this was not an ordinary case—

This is what happened, Mr. Speaker. And here is what Mr. Justice Dorion says of some conclusions of the report submitted by Inspector Reed, in which the latter seems to say that there was no way to establish proper evidence:

> Inspector Reed seems to have forgotten a rule of evidence which we are obliged to apply daily in the courts; where the version given by one witness is contradicted by the version given by another witness, obviously, we must have recourse to circumstantial evidence to determine where the truth lies and frequently that circumstantial evidence constitutes a much more convincing proof of what actually occurred than are testimonies given by witnesses, particularly where the witnesses have an interest at stake in the litigation.

But there is no mention of that in Inspector Reed's report.

Mr. Speaker, I say and I repeat that the conduct of the R.C.M.P. in all that was the first element which prompted the Minister of Justice to make a false or erroneous decision.

On page 111 of the English version of the report, Judge Dorion says:

> The R.C.M.P. investigation might have been conducted with a great deal more celerity. More than a month elapsed—between August 14 and September 18—in completing the interrogation of several of the parties involved. It is obvious that all of these interviews could have been conducted much more swiftly and with a higher degree of security. Obviously, this delay enabled some parties involved to get in touch with one another before they were interrogated.

And we read on page 112 what Judge Dorion says when the R.C.M.P. report was handed to the Minister of Justice on September 18:

> On that occasion, the complete R.C.M.P. file was handed to the minister. The only missing element in the file at that time was the report on the interview with Mr. Guy Rouleau, which had taken place on the previous day, but the commissioner gave the minister a substantial summary of it.

That is why, Mr. Speaker, we can say that the R.C.M.P. has a large share of responsibility in everything that is happening today.

In closing, the Prime Minister says the report will be studied by the deputy minister of justice in order to assess the responsibilities. Well, I maintain that one of the main responsibilities must rest with the R.C.M.P. and Commissioner McClellan. Because they

have made this investigation without due consideration and they have handed to the Minister of Justice a report that was not complete and did not permit him to make a wise decision in the circumstances.

I will now read an excerpt from page 119 of the Dorion report:

During the course of our inquiry, we also took note of a method used in their work by the R.C.M.P. which leaves much to be desired. French speaking inspectors question people in French and then have to draft their reports, for the attention of their senior officers, in the English language. This method may have very serious consequences. First of all, as we found during the course of the inquiry, the method leads to errors from which the person interrogated suffers; this method enables anyone who has been questioned in French by the R.C.M.P. to claim, when an attempt is made to point out contradictions when he is again interrogated, that what he said to the R.C.M.P. was not properly translated.

On page 120, one can also read:

It is only fair, in this regard, to point out a statement made by commissioner McClellan at the end of his testimony:

"A. There is no directive that I know of but—and I want to be quite clear on this so that there will be no misunderstanding—the working language of the force is English."

. . . evidence of commissioner McClellan, quoted by the commissioner, Mr. Justice Dorion.

An hon. Member: Right.

Mr. Grégoire: There are fanatics in that corner, in the Conservative corner, to be more accurate, those who say "Right", but I believe that the house as a whole does not accept that.

Mr. Speaker, I repeat what I was saying at the outset: For eight or nine months now—and we are aware of that because we heard about it, and I feel this is very serious—the R.C.M.P. has been after the head of the Minister of Justice. Today, it is the duty of the Prime Minister, if the feelings he expressed a moment ago with regard to the Minister of Justice are really sincere, to look into the doings of the R.C.M.P. in that case. I think also that it is his duty to inquire into the activities of some of his members—the Dorion report named one but there are others—who are too closely related to big financiers who subscribe to the electoral funds, members who are more interested in obtaining funds than in serving their riding. An investigation within the Liberal party is imperative in that respect because, there are many of them.

To conclude, and I believe it is a proper way to do so, I want to express once again my sympathy, my respect and my admiration for the Minister of Justice, saying once again that I do not believe he is so much responsible; it is rather the R.C.M.P. with which he was not firm enough while there was still time.

• (7:50 p.m.)

[*English*]

Mr. Speaker: The House will now revert to the business that was being considered at six o'clock.

INDUSTRY

PROVISION FOR PAYMENT OF DEVELOPMENT GRANTS IN DESIGNATED AREAS

The House resumed consideration in Committee of the following resolution—Mr. Drury—Mr. Batten in the Chair:

That it is expedient to introduce a measure to provide for the payment of development grants to assist the establishment of new manufacturing or processing facilities and the expansion of existing manufacturing or processing facilities in order to improve industrial employment opportunities in designated areas in Canada; for this purpose to establish in the Consolidated Revenue Fund an Area Development Account to which shall be credited an intial amount of fifty million dollars; and to effect certain related amendments to the Income Tax Act concerning the definition of a manufacturing or processing business and the application of section 71A of that Act in any case where a development grant has been authorized to be paid under the said measure.

Mr. Greene: Mr. Chairman, at six o'clock I had reached the point in the presentation I wish to make to the House where I had commended the Minister and the Government by virtue of the fact that for the first time in the legislative history of this country they have taken pervasive methods to encourage the decentralization of industry or, more specifically in economic terms, to encourage industry to locate in areas of high unemployment and a low rate of growth of employment. At the same time I suggested that it was impossible in one fell swoop to determine criteria which would effectually and perfectly determine which areas (a) could sustain industrial growth usefully and economically and (b) which areas would acquire that industrial growth by virtue of the use of incentives.

In saying this, Mr. Chairman, I do not think I am being in any way critical of the Government's policy in this regard. I think they took a giant step in the first instance. It was not perfection in one fell swoop but certainly it was a giant step in the right direction. It is my hope, as I am sure it is that of all Members who support whole-

heartedly this legislation and the motivations behind it, that as time evolves we will devise a more perfect method of finding the proper areas which should receive incentives and thus contribute not only to the growth of those areas but to the general health of the Canadian economy.

I would point out that the hon. Member for Wellington South, who spoke for the Official Opposition on this matter, spoke with a forked tongue as the Official Opposition so often does. I wrote down his words verbatim, I believe. I understand he is the official spokesman for the Official Opposition on matters of industry. At one stage he said, "We are in favour of the principle of this legislation", but with the other side of his tongue he said, "We are against grants". He also said they are against the federal Government entering this field and that it should be left to the municipalities and provinces.

• (8:00 p.m.)

I do not know whether he is for or against. He is walking up both sides of the road at once, but I think the position of the Official Opposition in this regard should be made crystal clear. Unless it is refuted by some higher authority than the alleged official spokesman, the hon. Member for Wellington South, then the people of Canada, and of Ontario in particular, can take it that the Official Opposition is against this type of legislation which will lead to the decentralization of industry.

I take it that the hon. Member for Wellington South has put his party on record as being for the continuation of centralization of industry in Ontario and in the Dominion generally. Such being the case, we see here a very distinct division between the Government and the Official Opposition, because through these policies we are clearly on record as favouring the decentralization of industry and the location of industry in designated depressed areas.

Another spokesman for the Official Opposition, the hon. Member for St. Hyacinthe-Bagot mumbled something about patronage and political motivation behind this legislation. Mr. Chairman, this is another area where the Official Opposition, in their ill-fated days in office, timidly dunked their toes into the waters of potential decentralization of industry, but apart from a lot of political jargon and big talk, accomplished very little.

I would point out that the very limited incentives they provided, which incidentally proved just as ineffective as their administration generally, were by way of double depreciation or speeded up depreciation, and were entirely inadequate. The ill-founded plan which they adopted just did not work. But as is customary with that party, they made sure that whatever they were doing was politically well founded and that the pork barrel principle would be foremost in this legislation, even through it did not work. The legislation was so ill-conceived that not even the pork barrel would work.

Mr. Starr: Keep that up and you will be here until July the 10th.

Mr. Greene: There were no specific criteria that the government of that day used in propounding the depressed area formula. It was purely and simply a Cabinet decision. I can think of no more effective pork barrel than that, that the Cabinet in its great wisdom—and Lord knows it had little in those days—could decide what areas qualified. If the government of that day decided that a particular community or a particular application merited designation, then for any reason it pleased it could designate that area for double depreciation. If that is not good, practical, pragmatic politics I do not know what is, because obviously it could make the designation purely and simply by reason of the fact that some good Tories had applied for designation. There were no rules, so let us not have the hon. Member for St. Hyacinthe-Bagot get up on his high horse and talk about political motivation and political practices in this legislation. The legislation his government passed was pragmatically political, but unfortunately so ill-conceived that it was of no earthly use.

I commend the present Government for using economic motivations in the legislation it has presented. The hon. Member for Wellington South takes umbrage at the fact that this legislation in some fashion resembles legislation passed south of the border. Well, Mr. Chairman, if it is in the best interests of the people of Canada, and specifically in the best interests of my constituents, I do not care whether it resembles legislation passed in Mozambique. I am very pleased to have it on the legislative record of this Government.

Maybe the hon. Member for Wellington South has not heard, but if I listened correctly to the views of the Leader of the Opposition on the Viet Nam crisis, he is now solidly pro-American. Maybe the hon. Member has not kept up with the gyrations of his leader on this issue. It seems communications over there

are not too good, and the hon. Member for Wellington South is still anti-American in his economic views, even though his leader is now strongly pro-American in his views on foreign affairs. I reiterate that so far as I am concerned I do not think it matters who thought of it first. The only question should be, is it in the best interests of our people?

Again the hon. Member for Wellington South raises the old bogey of encroachment upon private enterprise. What a sacred Tory song this has been over the years. It is the same song the traditional Tories raised when children were taken out of the coal mines. They said it was an encroachment upon private enterprise, and it seems to me when they abolished capital punishment for stealing a loaf of bread or a shilling, the good old Tories said, "My goodness, what an encroachment on private enterprise." It is nice to see that the hon. Member for Wellington South, their official spokesman in the sophisticated area of industry, is still singing that same old Tory song, that it is an encroachment on private enterprise.

If this legislation will contribute to the equalization of economic opportunities across this land, if it will mean there will be far less of second class citizens economically across this land, whereby second class citizens have less social and educational opportunity, then if it is an encroachment upon private enterprise it is a proper encroachment upon it.

It has been the history of this party that we have been able to choose and to discriminate between improper encroachments and encroachments which were in the public interest. For that reason, over the years since the industrial revolution, this party has had the support not only of the people generally but of those who believe in the private system of economic production.

I would like to speak for a moment on the question of the selection of the areas to be chosen for these incentives. I have said as forcibly as I can that the general aim and purpose of the legislation are admirable. Surely anyone who has been in these unfortunate areas, which have not shared in the growth of this land, cannot doubt that legislation of this type was badly needed. I have seen areas in this land, some in my own constituency, where wages were as low as 85 cents an hour within the last two years. This may be inconceivable to those who live in the great golden horseshoe of the metropolitan area in this province, but it is a fact.

[Mr. Greene.]

I have seen many areas where, because of lack of assessment, children up to the age of entering high school were in one room, from kindergarten right up, and under one teacher. Surely to goodness, in a land that last year had the second highest per capita income in the world, this is not good enough. I have seen areas where there is no high school and no possibility of children going to high school because the assessment would not support a high school.

• (8:10 p.m.)

I should not have to say more.

Some hon. Members: Hear, hear.

Mr. Greene: Members who have studied these problems are in general support of this legislation. I can see a number across the way. There are Tory members who are apparently not riding the ancient horse of free enterprise at any price but who support the principle of this legislation. The question is the definition whereby these areas will be designated. I think no one disagrees with the hon. Member for Waterloo South who urged that this legislation should be made on economic principles. It would be the height of folly to locate industry by offering financial incentives in a place where it would perish after the incentives had been withdrawn. There is no point in locating industry in the middle of a wilderness. But in these days of rapid communications people in my part of the country would be happy to travel 20 or 30 miles a day to work, if they could find work within that distance. There are obvious growth centres, and growth must be accentuated within those growth centres. Whatever formula is involved it must take account of these centres, which will bring in the people from areas of high unemployment, low income and slow rates of growth.

The Chairman: I have to interrupt the hon. Member. His time has expired.

Mr. Starr: He is making a very good speech, even though we don't agree with it. I think he should continue.

The Chairman: Is it agreed that the hon. Member may continue?

Some hon. Members: Agreed.

Mr. Starr: Go ahead. Take as long as you like.

Mr. Greene: I thank the hon. Member for Ontario for his courtesy. I will not be too long.

The original criteria certainly did the job to some extent, and the legislation marked a bold first step. It is my hope, with the experience the officials of the department have had, that a more meaningful set of criteria can be developed, criteria which will make it possible for smaller pockets which are currently lagging behind the general economic development of a province, to make economic progress.

A new theory with respect to these incentives may be brought into being at this time. I agree it is almost impossible to find a set of criteria to provide a perfect answer. But I do believe there should be some distinction, and I will make my point in this way: In the area I have the honour to represent and, in particular, in the great part of the constituency of South Renfrew there used to be a prosperous and economically sound lumbering industry. It has now been largely cleared. The people living there are able. They are self-sufficient, or they would not have survived for as long as they have. They do not have the highly sophisticated skills which are required in the metropolitan centres today, but there is no question about their ability to support useful economic growth. Industries which located there in the past have proved to be among the most efficient, the most productive and the most lasting in our entire economy. The productivity of these people has been proved.

While the over-all problem is the problem applicable to great areas such as the Maritime Provinces, the difficulty is to find a set of standards in a generally rich province such as Ontario which will be applicable to those small pockets where help is so badly needed. I do not look upon this as a handout. Consider the hundreds of millions we are pouring into urban redevelopment in the great metropolitan cities to remedy the problems created by growth over the years. Communications in these centres cost a great deal—subways, highways, throughways on top of all this. And soon we will need parachutes to ride on the top layer of the highways. A lot of public money is being spent in these areas.

In the area I speak of, our natural resources have been exploited; not manufactured on the spot but removed for use and manufacture in the metropolitan centres. Water resources, the natural asset of these people, have been taken away for use in the large metropolitan cities, and hydro rates are far higher near the sources of power than they are in the metropolis itself. I do not think these people are looking for handouts; they are looking for economic justice. I grant that the brigands—I am talking about the removal of hydro and natural resources—were not federal brigands but provincial brigands. More enlightened provinces provided for processing at the source, but in this case it was the province which took away from these people the natural assets which the good Lord had given them. I think it is a fine thing that the federal Government has seen fit to take steps which would give some measure of economic justice to these areas and, as I have said before, it may be that as a result of their experience the departmental officials will be able to work out a formula whereby designation might be made of these large areas which obviously need assistance, while at the same time being flexible enough to provide assistance in areas of the Ottawa Valley and similar areas which, possibly, are in no need of the long term aid which is required in the case of the Maritimes.

Many of us have worked for years to encourage industry to take root in the area of which I speak. Competition for industrial development is keen, today. The difference between an area getting an industry and not getting one can be very slight. A nudge will decide the issue one way or another. These capital grants are likely to prove an effective incentive. And, of course, of what use are incentives unless they are effective? There is little point in providing incentives, such as double depreciation allowances, if industry is not interested in them. But even when incentives were far less effective than they are now likely to be, areas such as those I have in mind found it difficult to attract new industries in competition with those to which some assistance was provided. If they are placed further behind, because other industries will get grants while they cannot, they will be condemned for all times to be second class citizens, and I am sure the Government would not wish this to happen.

• (8:20 p.m.)

In the Ottawa Valley and in the west end of the riding of South Renfrew, of which I speak in particular, I think the natural growth centre is the Town of Renfrew. This is within 30 miles of most of the highly depressed area. Industry locating there will bring people from this area of unemployment and slow growth into that town for employment. Three or four industries in this area would solve all the

problems. Therefore it may be that these programs can be approached differently and made more flexible in areas such as the Maritimes as compared with these smaller pockets of slow growth in provinces such as Ontario.

It is my hope and purpose in speaking on this measure at this time to urge the departmental officials to see if they cannot work out criteria that will be effective in the broad sense in areas where there are large land masses which need progress, but which will also be applicable in a different sense, if you like, in areas such as the generally wealthy Province of Ontario where small pockets have fallen behind in the general growth prosperity which is to be found across most parts of this land.

May I again commend the Minister, his officials and this Government for this far-seeing and I think highly progressive measure, and may I on behalf of the constituents who sent me here plead that they find methods and criteria whereby these plans may be made applicable to smaller areas of slow growth such as exist in the Province of Ontario.

Mr. Winkler: Mr. Chairman, I am very pleased to follow the hon. Member for Renfew South. He sounded this evening as though he were preaching for a call. I do not know whether there will be something available for him, but he has preached for that call before and has not been very successful. It may be that he has been accepted on a greater and wider basis by the Government than I would think to be the case. I am also very pleased that he was able to take advantage of the request of the Opposition to continue his speech beyond the time allotted, because I believe it was the Government who wanted to streamline the business of the House by eliminating or reducing speeches on different stages of measures brought before the House. However, Mr. Chairman, that being the case we will carry on with some of the arguments the hon. Member put forth and I will then advance some thoughts of my own.

I must admit that I found some of the points made by the hon. Member acceptable, and I have some area of agreement with them. But when he castigates the Conservative Party when in power for their failure to deal with the situation on the tax incentive basis in regard to write-offs, I must say that he was castigating us on the basis of our considering the whole matter from the point of view of slow growth. Then later on in his address he pointed out vehemently that this is the way it must be considered and one of the points in the criteria that must be taken into account is the growth rate of the different communities particularly, as he pointed out, in the Province of Ontario. So we have, again, the hon. Member for Renfrew South creating quite a paradox in the course of his speech. It seems that he is putting his argument across quite sensibly until you examine his words.

I also listened to him as he developed his argument with regard to the failure of the Conservative Government in this connection. I can recall very well, not too many years ago, in the light of what has happened in this House this evening, the present Prime Minister demanding that the Government resign and pass the reins of government over to his party. Unless the Government is prepared to meet some of the requests made by the hon. Member for Renfrew South and some other Members in this House, who know what this legislation will mean if properly applied, I think the day is here when the Liberal Party should consider passing the reins of office back over here where they properly belong.

Mr. Greene: Poor Canada.

Mr. Winkler: Reference was also made to the words spoken by the hon. Member for St. Hyacinthe-Bagot in his concern regarding patronage, and so on. I must remind the Committee of the previous method the Government established in this respect, because of which we recognize that this practice exists. The hon. Member also spoke very vehemently, and I must admit in a disparaging way, about the hon. Member for Wellington South and the way he presented the case with regard to our legislation. The hon. Member for Wellington South knows better than anybody that when the Government created Brantford as a designated area—and I have nothing against that—and gave them that advantage, cities such as Guelph and others in the immediate vicinity did not have that advantage. I wonder whether the hon. Member would call that patronage. Is that a bit unfair? Is that a bit of the pork-barrel stuff? We know very well where these Members get their financial support from. In view of this, Mr. Chairman, the hon. Member should look at his words this evening. I think it is high time that he recognized who is responsible for this situation. He was speaking out of both sides of his mouth; he was congratulating the Minister for having come

forward with this measure, and he was stating what in his opinion should be the criteria applied to it. What is he going to say if the criteria applied are not what he wants? He will stand up, like every other Grit on that side of the House, and vote for the measure. That is exactly what will happen. This is the course of events that his party has followed, and he will act no differently in this particular case. We do not criticize this legislation too severely if it is carried out in these terms in the bill, and the Government acts with common sense, because then this program will be implemented effectively and fairly across this country.

No reference has been made with regard to the position of the more wealthy provinces in this country in relation to those who want a more equitable share of the growth that has taken place and is about to take place. I have no argument on that particular point, because I think everyone in this House knows that the Maritime Provinces are one area of this country that need support and should receive special consideration. I also think that because of the past history of the Province of Saskatchewan this is another area which should be considered, because we know the growth rate of the population and the trends, and so on, which have taken place there in the past. This province, too, should be eligible for a considerable degree of consideration when the criteria are set up and the designations are being made.

If we read all the words contained in the resolution that is under discussion at the present time I do not think anyone in this House would wish to argue about the points that are promoted in it. With regard to the actual implementation of the legislation, we believe that this is the area in which the Government should move to bring about the fulfilment of the ideas that are our interpretation of what is required, and what in actual fact should be done. I would refer at this moment, Mr. Chairman, to the words of the Prime Minister on June 7, as reported on page 2023 of *Hansard*, when he referred to this matter. These words are to be found in the left-hand column, and the Prime Minister put it this way:

> The purpose of this program is to provide a broad improvement in the incentives to industrial development—

He also uses the word "underemployment" in another context, although I believe these purposes may be associated. Then he went on to say this:

> There are many more specific measures that can assist industrial development, and provincial governments are developing such measures in regional development plans within their provinces.

● (8:30 p.m.)

I believe that the thoughts expressed by the Prime Minister at that time are good ones. This is one way in which the Government can satisfy the needs of the provinces, even the needs of the Province of Ontario.

Long have I felt that there should be some method of redistributing the industrial wealth of this nation in such a way that, where practicable, some measure of growth and development can sensibly take place. We know the Government has been very effective at redistribution in another sense and, although as I have said on other occasions, this does not particularly bother me, I do want to make my point before it is too late. An area such as the one from which I come, for example, could use such support, and the Minister knows full well the importance of my words and what is meant by them, though I will elaborate in a moment.

Nevertheless, we find ourselves being redistributed politically so that our voice will become considerably less in this House. Yet we have found in the past that there has been no activity on the part of the Government to redistribute some of the wealth of the people who have seen fit to stay in that part of the country, wealth which has increased at the rate which has been established, particularly since World War II. I believe that as the natural resources of North America are depleted, particularly in the area south of us, then unquestionably the trend economically and industrially will, I believe, in due course be to the north, and thus of great advantage to Canada.

In order to make a proper plan I believe that the terms of such a resolution as this and the legislation to follow can effectively be used to this end. I believe that as we sit here representing this great country of Canada from one sea to the other sea, tremendous opportunities for development will appear if the benefits and incentives which will be created from this legislation are properly and sensibly applied.

Let me return again, Mr. Chairman, to my own constituency. In this regard I should like to refer to the *Ontario Statistical Review*, which is available to anyone who wishes to consult it. The figures found therein are rather important. They would indicate that the Minister and his officials would find

the report useful in considering the criteria for the designation of the areas he intends to establish. I am aware, Mr. Chairman, that the County of Bruce, which is an area into which I have presently been moved rather forcibly, is one of these areas. The County of Grey, in which I actually live, is also one of these areas. You will find generally, Mr. Chairman, that all the counties in the vicinity of Georgian Bay made strong representations to the Minister, before this legislation was introduced, to be considered under the terms of this new legislation. I mentioned the county council of the County of Bruce. I must also mention the county council of the County of Grey. I must mention too some of the municipalities therein and the Georgian Bay Development Association, which also has made representations to the Minister. I did not intend to speak in any manner prejudicial to any one of these counties, or indeed to the entire economic area, but I do hope the Minister will pay attention to the figures in this review, in relationship to the resolution before the Committee, and to the interpretation which I and others are inclined to place upon them.

I will have to read a few words from this resolution to make my point clear. The resolution is:

> That it is expedient to introduce a measure to provide for the payment of development grants to assist the establishment of new manufacturing or processing facilities and the expansion of existing manufacturing or processing facilities in order to improve industrial employment opportunities in designated areas in Canada;—

Then it goes on to mention the amount of money to be credited to the area development account in the Consolidated Revenue Fund.

I would take it that in using the words "to improve industrial employment opportunities" the Minister is referring to those areas which need these opportunities and which would benefit the most from them. Inasmuch as the counties to which I have made reference are usually considered rural counties, and on the basis of the facts and figures placed before the Minister and the representations made to him some time ago, I believe that my county is one deserving consideration.

I have before me the percentage figures of change in the County of Bruce from 1951 to 1961. For the County of Bruce it is 4.2 per cent, and it rates 51st out of the 53 areas selected in the Province of Ontario. The figures for Grey County in this same regard are 5.2 per cent, rating 50th in the province out of 53 such areas. The next set of figures indicate, as the hon. Member for Renfrew South was obviously aware, that young people seeking the advantages which exist in the larger and more prosperous areas in the Province of Ontario to the south of us leave their homes and communities in order to participate in the economic advantages open to them. The figures indicate that 31.5 per cent of persons between 20 and 49 years of age, living in the County of Bruce in 1961, expressed as a percentage of the population, fell into the above category, the county ranking 51st out of the 53 areas. The figure for Grey County is 33.6 per cent, ranking 44th.

There are also other figures in this review, for example relating to incomes, which are important to the Minister in considering the areas to be designated and which back up my request, and the request of the people who have been in touch with him, to consider the entire Georgian Bay development area as a designated area.

Although this is not contained in the report, I became aware early this spring, when the income picture of the farmers in these areas became critical, that the agricultural office in the Village of Markdale had conducted a survey to find out what was the net return of a selected group of ten farmers. I was absolutely amazed to find that six out of the ten showed a minus net return. Therefore it is easy to see why the young people in the families occupying these farms will not be able to continue on in occupation very long, unless the Government extends the provisions of such legislation as this to the areas I have mentioned.

I do not want my words to prejudice to any degree the communities to which I have referred. I ask the Minister to do nothing more than give further consideration to the areas, and to any area in the entire Dominion of Canada which finds itself in this situation. We certainly do not hold this particular case in abhorrence, but we are afraid that in the final analysis the Government will return to the old form, under which certain areas will receive a thumbs-down treatment, for various reasons. I should not want the Government generally or the hon. Member for Renfrew South specifically to think for one moment that anyone on this side of the House is in support, to any degree, of centralization as opposed to the benefits which may flow from this legislation. The hon. Member for Renfrew South again used his ability to twist the words to suit his own purposes and, I might add,

that is characteristic of his attitude and the attitude of his colleagues.

• (8:40 p.m.)

We have no argument against benefits which might flow from this legislation to those areas where an economic advantage exists. However, the hon. Member does not have to deride the educational system now in existence in Ontario because, as he is well aware, it is a very excellent system and is improving rapidly in excellence in our rural areas. I might add that this is the direct result of many of the policies adopted and forwarded by the hon. Member for Ontario when he was the Minister of Labour.

If we use the advantages inherent in this legislation and direct industries, which we know would be of benefit to certain communities, to establish in a location, a great deal of benefit will be gained, and I am sure this is true of the two counties to which I have referred. The hon. Member for Grey North will agree with me in this regard. With the advent of the St. Lawrence Seaway, tremendous economic advantages were lost to the people of the surrounding areas, and particularly the area in the neighbourhood of Owen Sound.

Mr. Chairman, we are particularly anxious to support this legislation, provided we are given some assurance that it will be administered properly and in a way advantageous to the people of the areas affected, and to the people of Canada as a whole. There are certain economic advantages which can be gained as a result of the adoption of this measure, but there are inherent dangers which must be avoided. Having regard to certain market areas of southern Ontario and the incentive provided industry to locate there, let me assure the House and the Minister that we will take advantage of any benefits provided by this legislation in order that the sorely needed industry will locate there. I am sure the people of the area will work endlessly toward this goal.

I urge the Government and the Minister once again to give serious consideration to the terms of this legislation and the economic effects inherent in it. I hope that due consideration will be given to a review of the circumstances which exist in those areas which may well benefit from a proper administration of this plan.

Mr. Martin (Timmins): Mr. Chairman, I was very interested this afternoon, as I am sure all hon. Members were, to hear the very unusual and interesting speech of the hon. Member for Renfrew South. Of the 35 minutes during which he spoke on this subject, and I was pleased that he was given an extra 15 minutes over and above the allocated time for speeches at this stage of the legislation, he spent 20 minutes pointing out that the problems of this country have arisen during the last 97 years of Liberal and Conservative Governments. It is true that he jumped back and forth from one subject to another, but he placed special emphasis on that fact. He spoke extensively about the difficulties which now face the people who live in the valley which he represents, that valley which 100 years ago was one of the most beautiful places the people of the world have ever seen. Unfortunately that area does not look so beautiful today. The hon. Member spoke of water pollution, and other associated problems, and the possible solution to those difficulties.

To make a long story short, I am pleased that a Member on the Government side has finally realized and recognized the problems this country is faced with today. He devoted his first 20 minutes to a discussion of these problems, and possible solutions. However, in the final 15 minutes he attempted to defend this measure as a complete solution to these problems. I am afraid that this measure will provide no more of a solution to these problems than the measure adopted by this Government not too long ago. Incidentally, the Conservative Government also adopted a program which, to all intents and purposes, was to solve these problems but, like the Liberal Government, it had to be dropped as a failure. It is our feeling that this measure will likewise prove to be completely insufficient as a solution to our present day difficulties.

The hon. Member mentioned also that this measure would work toward decentralization of industry and help solve some of our growth problems of today. In view of the fact that the trend today is for young people to leave small communities and farming areas to go to the more populous areas of Canada to seek employment, I am wondering whether this measure will help to decentralize industry, or will in turn attract the young people from our rural areas to these designated areas and in effect worsen the situation. That seems to be one of the fundamental weaknesses of this measure. That was also a fundamental weakness of a similar proposal which was presented to this House some years ago.

In view of past experiences of governments in efforts to designate areas and decentralize industry, I believe the Minister and his Government should now take a long look at this proposal. I am sure if they do so they will realize that this is the wrong approach. They should take a thorough look at the problems which now face thousands of people in this country, before adopting any policy of this kind. The employment situation in this country is becoming worse and worse every day, and sooner or later the Government will have to adopt sound policy.

At this time I should like to take the opportunity of pointing out some of the dangers inherent in the presently proposed scheme. I feel that I am in a position to talk about these dangers because of my experience, coming from a designated area. The area from which I come was designated two years ago. Immediately prior to its designation a meeting was held, at which a great deal of enthusiasm was developed for the then proposed plan.

• (8:50 p.m.)

But when all the interested people who were gathered there started to examine the matter a little more closely there was not one single application made under that scheme. So it just did not fit the bill.

There is another reason I feel qualified to speak on this particular subject and to point out the dangers inherent in it. Ever since the big mineral strike in the Timmins area last year, ugly rumours have been floating about that certain other areas of Ontario are out to try to steal the Timmins smelter. One area mentioned in this regard is the constituency of the Prime Minister. Having this in mind, it is no wonder that we look at this particular scheme with a great deal of apprehension and suspicion.

We have not seen the bill, but judging from what I have heard so far all of the present designated areas will become undesignated as of the 1st of July—I hope the Minister will correct me if I am wrong—and effective immediately on that date we will have a whole new group of designated areas. Some of them may be the same, some may be new and some of the old ones will be dropped. In view of the rumour that has been raising its ugly head from time to time in the Timmins area, how easy it would be for the Government under this scheme to arrange to remove the Timmins area from the designated list and to designate the Elliot Lake area. It is true that someone could go ahead and build a smelter in Timmins, but they would be faced with competition from a smelter built in the other area, with regard to which federal taxpayers would be paying 22½ per cent of the cost. This is one of the reasons we are looking at this matter very closely. The people of the Timmins area are fully aware that if things are decided on a purely economic basis the only sane and sensible place for the smelter to be built is in the Timmins area and that if it is built anywhere else it will be because of either political or financial pressure.

Some hon. Members may think that the hon. Member for Timiskaming was rather brash this afternoon when he spoke about the temper of the people of the north, but I should like to assure the House that he was not. Feelings are running very deeply in that area. The people of northeastern Ontario are sick and tired of being the milk cow not only for the Province of Ontario but for the whole North American continent.

Mr. Fairweather: You are copying a phrase of Maritimers when you refer to milk cows.

Mr. Martin (Timmins): Our milk cows are much fresher than the ones in the Maritimes. The people of northeastern Ontario are sick and tired of seeing our resources shipped south to the golden horseshoe, while we watch the situation in that area becoming critical because of low water levels and pollution. We will soon be faced with a situation where we will have to send fresh water down there to process the materials we have sent there. The people of the north are getting sick and tired of the situation. There are people there who are saying openly that if this scheme is tried again they will use whatever physical force is necessary to put a stop to it, and I cannot say that I blame them.

It is bad enough to see that area bumbling and stumbling along because of mistakes that governments have made over the last 97 years, from which they have learned nothing, but on top of that the resources of the region are shipped right out from the area. With regard to finding solutions for these problems, if the Government were to announce today that its policy was that the resources of the country should be developed, where possible and feasible, in the areas where they are found, this would do far more good for the particular designated area that I represent at the present time than the scheme being introduced today or the one introduced two years ago, or the one brought

in by the previous government prior to that. This is the type of thinking that the Government is going to have to adopt if they do not want to have to bring in a new scheme two years from now and scrap this one, just as they have scrapped the one they brought in two years ago. If a new approach is not taken to these problems we may find that we are once again dipping into the taxpayers' pockets to subsidize a scheme that is going to increase the problem and not help alleviate it one single bit.

Mr. Lloyd: Mr. Chairman, at this point in the debate I should like to bring to the attention of hon. Members that much of the principle reflected in the resolution is also contained in recommendations made in a report by Professor T. Wilson of the University of Glasgow to the Atlantic Provinces Research Board. Indeed, reference was made today to this report by the hon. Member for Waterloo South. He expressed, and I believe quite properly so, interest in this very excellent presentation which was the result of an agreement between four Atlantic Provinces to secure the services of a competent authority in this field to guide their footsteps with regard to the expansion of industrial development in the Atlantic region. It is interesting to note that on page 71 of the report there is this recommendation:

> It is therefore recommended that the Federal Government should provide grants toward the cost of fixed capital in the Atlantic Provinces in preference to the remission of corporation tax.

We learned today from the Minister's explanation in support of the resolution that the Government is proposing to offer cash grants to new manufacturing and processing firms, etc. Also on page 71 of Professor Wilson's report we find the following:

> The value of the grants should not be reduced by a corresponding deduction from the amount a firm can claim in subsequent years against depreciation.

By way of contrast, the Minister's statement pointed out that the legislation will establish a formula to determine the amount of grant to be provided to individual enterprises and it will provide that such grants will not be taxable income and will not be deducted from capital costs for tax purposes. So there we have two parallel recommendations. The Minister's resolution reflects an objective analysis made at the instigation of four Atlantic Premiers, and certainly under these circumstances I am sure nobody will quarrel with the claim I make, that this legislation is an objective and certainly non-partisan attempt to resolve a rather serious problem.

We also find that in the Wilson report reference is made to the subject of employment in these words:

> It is therefore recommended that, for a limited period of, say, three years, a direct grant should be made in respect of every worker employed in a firm new to the area.

The legislation does not contain exactly the same thing, but it has been suggested in the Minister's statement that there is also provision for close liaison between the firms receiving development grants and the National Employment Service, to ensure that the new employment opportunities are fully exploited and the appropriate training facilities established.

It is my submission, Mr. Chairman, that what we have really been talking about this evening is a resolution which reflects a very comprehensive, independent study made on behalf of and reported to four Atlantic Province Premiers. Actually I am in agreement with the previous speakers. The hon. Member for Timiskaming wants to be assured that the Kirkland Lake area is given a fair opportunity. I too want to see that Sheet Harbour in Nova Scotia gets a fair opportunity.

• (9:00 p.m.)

The hon. Member for Timmins wants to be assured that the formula will not unnecessarily subtract from existing established industries and cause unemployment in one area in order to achieve employment somewhere else.

It is my submission that no intelligent analysis can be made without an immediate reference to the bill itself, and therefore I hope we shall move on to first reading, because the bill will enlighten us on the details which we require in order to make an intelligent appraisal of the measure.

As a Member from the Atlantic Provinces I am anxious to see the bill, to see if it contains what I suspect it does, namely the kind of measures recommended for the Atlantic Provinces. The sooner we reach the bill, the more enlightenment we will achieve on the subject.

Mr. Olson: Mr. Chairman, the Minister advanced some interesting arguments as to why this kind of program would be more effective to deal with areas of unemployment than the plan initiated last year respecting designated areas. I agree with his contention that it will be easier to expand employment opportunities in an area when direct cash

grants can be made available for the establishment of new industry. I also agree with him that there is a problem in achieving industrial expansion on the basis of income tax or corporation tax holidays, or accelerated depreciation, when it is necessary for industries to earn an income, shortly after their establishment, which would be taxable. Many types of industry require several years to become established and reach the point of substantial income that can be used for accelerated write-off or tax holidays.

Notwithstanding that those arguments are valid, I want it to be abundantly clear I am generally opposed to the kind of program envisaged in this resolution, and for that matter to the kind of government action taken under the old designated area type of assistance. I say so because I am reasonably sure that under the old program some industrial establishments were misplaced so far as economic soundness is concerned, particularly after the expiration of the incentive period, and I feel this program of direct cash grants from the federal treasury will have the same effect. When industries established under it come face to face with the economic realities of competing without incentives, they will find themselves unable to carry on because of location.

This is more detrimental to the communities involved than if no industries had been established in the first place. In other words, what I am saying is that if a new industry establishes in an area and employs X number of employees, it places a great load on the municipality concerned, to provide for those people when the industry can no longer compete without incentives. This is something which will have to be carefully considered, else there will be many groups of people who will find their jobs in jeopardy at the expiration of the incentive period.

We shall then be faced with two alternatives, having to continue to subsidize these industries where it is uneconomically feasible for them to compete, or else having the municipalities support the unemployed workers, should they close down. I do not believe that we can assist the weak by pulling down the strong. If we take the tax dollars we collect from the strong economic sectors of our country, and use them to set up industries in competition with the industries providing those tax dollars, it will be a very serious matter and one we need to consider carefully.

At present there is a redistribution taking place of the corporation and income taxes

[Mr. Olson.]

coming into the federal Government and going out to the provinces by way of grants and the equalization formula. This provides a distribution of tax income to those areas lagging behind the more buoyant sectors of the country. Further, provision is made by certain provinces to attract industry to them through tax concessions and other incentives. The provincial governments are using the additional funds made available to them by the federal Government to provide these incentives, but I do not think anyone objects particularly to that.

We are a nation of many regions, and we are our brother's keeper to a point—to the point that we should provide some inducement to areas that are lagging behind, enabling them to catch up and maintain a decent standard of living. But you reach a point of diminishing returns in this matter of establishing industries in areas where they cannot compete without subsidization. The Government ought to be very careful in penalizing the prosperous areas through additional taxation in order to establish uneconomically feasible misplaced industrial establishments in other areas.

If the Government is going to go ahead with this kind of program it should be very careful to take into account the criteria that will be used to designate a development area. We are informed that there will be such things in the formula as the level of income, and factors respecting low employment opportunities, low growth opportunities, and things like that. I do not disagree with these factors being introduced, but I notice there is an addition to what were the criteria when designated areas were first established.

• (9:10 p.m.)

But the income levels should be considered together with the cost of living in the local national employment service area. To reach the same standard of living in different areas may require a different level of income. Compare the cost of living in Toronto with the cost of living in some areas in Saskatchewan or the Maritimes or even in certain parts of Alberta. We would find that the cost of living in Toronto is substantially higher. What we should be concerned with is the standard of living. These two factors are closely related.

Perhaps by way of experiment we could vote $50 million to see what effect it has. But we should not go too far. If this goes further and further, the Government will get into the business of attracting industry by way of offering incentives, as some of the provinces

have already done. We are going to get into the rat-race where every province tries to outbid the other in attracting industry. We have already had experience of this—municipal governments outbidding their neighbours in offering tax concessions and the like. The point will be reached where some of the richer provinces will be forced in self-defence to set up incentive and concession programs. Then where does the balance go? The Province of Alberta has made its position very clear. It has been trying to resist this kind of Government intervention, this method of attracting industry by offering subsidies. If Saskatchewan, Manitoba, and, now, the federal Government, insist on using public funds to attract industries into areas other than Alberta, then I think Alberta will find it necessary in self-defence to use the vast resources and reserves of that province to set up its own incentive program. Then we would find ourselves in a position where one offer of incentives balanced out the other. At this point, I suggest, some of the richer provinces, which are in a far stronger position to offer incentives, would be forced to do so. I hope the Minister will be careful to see that a program of this kind does not discourage the natural location of industries, which because of sound economic reasons place themselves in proximity to markets and raw materials, natural advantages enabling them to build up enterprises capable of continuing in the face of competition, without need for incentives. If we go too far in the direction now proposed we shall weaken the whole economic structure of the nation and I am sure the Minister would agree that this is not desirable.

Mr. MacEwan: I have a few remarks to make on the resolution stage of the bill which the Minister will be presenting in due course. I hope the hon. gentleman will present the bill at an early date so that we may study its contents carefully and be in a position to go into full detail.

I listened with interest to what the hon. gentleman had to say. If I understood him correctly he told us that the benefits so far, tax concessions and accelerated depreciation allowances, have been limited benefits only.

I do not intend to repeat what I said during the budget debate. It is on record in *Hansard*. Some hon. Members like to go back to these things, but I would prefer to let the record speak for itself. At that time I said I did not believe the tax concessions, or the accelerated depreciation allowances, were sufficient incentive to induce industry to go to the designated areas. It has been suggested that two new plants in my own area, the Scott Paper Company and the Clairtone Company were put there as a result of the incentives offered by the Government. It has been maintained that the Scott Company will perhaps gain some $14 million as a result of these income tax concessions. This was suggested in the press. Clairtone, it was said, would benefit by a couple of million dollars. However, I think these figures can only be an approximation as both companies must make a profit in the first three years. These firms have not yet set up their plants; they are just getting into operation. We are happy to have them with us, but the amounts which have been mentioned can only be approximations, even though apparently, they were given to the press. I think they are on the optimistic side, because these plants must make a profit in the first three years in order to gain any benefit.

I am glad the Minister is bringing forward this bill which will provide for assistance to the designated areas. While speaking in the budget debate I mentioned a submission by the Atlantic Provinces Economic Council to the Atlantic Development Board setting out what the council felt should be brought forward. I know the Minister has studied these submissions before submitting the resolution and the bill which is to come, because the resolution has some of the features which were recommended by APEC to the Atlantic Development Board. I hope these proposals will be of benefit to the designated areas.

It has been suggested that existing industries can benefit by this legislation. The criterion seems to be that they should contribute appreciably to employment in the area—that is, their extension. I hope the Minister will spell this out clearly in the legislation because a clear definition would be appreciated. I think especially of one industry in my area, the Trenton plants, the biggest employer in the constituency, where formerly as was pointed out to me the existing industry could derive no benefit from the former legislation. I hope the provision now proposed is not a meaningless one and that the criteria set out in the Prime Minister's original statement will not be so narrow as to prevent assistance being given to established industries such as I have mentioned.

• (9:20 p.m.)

When the hon. Member for Wellington South spoke earlier today he urged that some safeguard should be attached to these grants. I agree with him. The Department of Industry should look into this matter and when making these grants it should satisfy itself that the industry which is to benefit is not likely to be a fly-by-night concern. An industry which set up in an area, took advantage of all the benefits it could receive from federal, provincial and municipal levels and then took off suddenly, would do an area more harm than good. I think there should definitely be very strong safeguards in the matter of grants before they are given to any industry.

Mention was also made by the Prime Minister, on page 3 of the statement which he originally gave, of the following:

> The purpose of this program is to provide a broad improvement in the incentives to industrial development in those parts of the country where underemployment is most serious. There are many more specific measures that can assist industrial development and provincial governments are developing such measures in regional development plans within their provinces.

Then he said:

> As those plans are elaborated it will be the Government's policy to seek the fullest harmonization between its action and provincial programs.

I would hope that the Prime Minister means that this program will go along, as he stated, in seeking the fullest harmonization between the action of the Government and provincial programs. I am thinking especially of the Province of Nova Scotia and Industrial Estates, a Crown corporation set up by the present provincial government to get industry into the area. Suggestions have been made through the years that the Atlantic Development Board, which was set up by the former government and continued by this one, should give funds to Industrial Estates to help them in their work. I know, going back a few years to when Industrial Estates was but an infant, that there were difficulties in the work of this organization. I spoke to an official and one of the businessmen of Industrial Estates, who is still in that capacity, and he said, "We have so much money to induce industry to come to Nova Scotia, but there are certain things which are just a little beyond our ability because they are just too costly for us to look after. We believe there should be federal help in this regard".

Suggestions were made that the Atlantic Development Board should funnel some of their funds into bodies such as Industrial Estates. I hope the announcement of the Prime Minister means that in this bill the Government will come forward with some method of achieving the fullest harmonization with Industrial Estates of Nova Scotia. I think this measure could do a great deal for that Province and indeed for the whole Atlantic area. I believe that New Brunswick has set up a Crown corporation, something along the lines of the corporation set up by the Province of Nova Scotia, and I hope New Brunswick will be successful in this regard. But I do hope that the bill brought forward by the Minister will point out in detail how this harmonization can be achieved.

Other Members have spoken on this measure. We will have to get the bill before us, of course, to understand its details in full. However, Mr. Chairman, perhaps I could point out briefly that suggestions have been made, one of which is that subsidies should not be provided to industry and should not be given for an indefinite period. I agree with that argument. I believe that subsidies should be on a temporary, interim basis to give a chance to an industry to get on its feet, and from there on it should be able to handle its affairs. The grants should be going to industries which, as I said originally, are set up by substantial companies and which will remain in the area and make a home in which they can settle.

The hon. Member for Renfrew South spoke this evening. I am always glad to hear him. I do not intend to enter into a debate on what government did what, that the former Government did nothing, and so on. Before he was here a few things were done by the former Government for the Atlantic area in particular, and certainly for the whole of Canada. Among them was the Atlantic Provinces Power Development Act, which has been a godsend to an area such as mine, especially where we have a thermal power plant where subsidies are paid to these consumers of electricity in the Atlantic area who take electricity which comes from a thermal power plant which uses coal. This has helped us a great deal. There were other ways in which the Atlantic Provinces were helped. There was the decentralization of industry, and providing naval work for the Atlantic area. This sort of help was given to a great extent.

The Minister perhaps has some knowledge of these things. He was not concerned with the particular industry I had in mind at the

time, but in the days of the former Government there was projected the move—and the former Government went along with and encouraged this proposal—whereby at the time Canada Car was closed in Montreal, the machinery and facilities were moved from there to the Trenton plants. This was a godsend to the constituency I represent. The former Government was under much pressure not to move this plant and to let it carry on where it was. But the move was made and it has helped a great deal in that area, it being the biggest industry there.

I hope that the bill the Minister will bring forward will spell out in detail what these grants will mean so far as co-operation with Industrial Estates and other provincial bodies throughout Canada are concerned. At that time we will be able better to tell just what this measure will mean. But, Mr. Chairman, I do hope that these grants will go further than the original legislation, which was to give a tax free holiday for three years and the accelerated depreciation, and will assist getting industry into designated areas.

The Deputy Chairman: Shall the resolution carry?

Some hon. Members: Carried.

Mr. Nasserden: Mr. Chairman, I have just a few words I would like to say before the resolution carries. I must say that I am as curious as other hon. Members to see the bill, in order to ascertain whether the Government has learned anything from its experience in the past. We in the Province of Saskatchewan have failed to benefit from any of the legislation the Government has brought forward along this line in the past. In view of recent representations made by our Premier and his Minister of Natural Resources, I am very hopeful that when the bill is introduced it will reflect that measure of co-operation and understanding on the part of the Government and the Minister concerned that will give a truly national outlook to this legislation and its application to industry.

I would be remiss in my duty if I did not go back to the period of the Second World War and point out what took place at that time with regard to the centralization of industry. I do not want to criticize the Government of that day for what it did then; but if this legislation is to reinforce the mistakes that were made at that time and perpetuate a situation in which industry was centralized in certain areas of this country, to the detriment of other areas where perhaps some natural resources were more readily available than in the area that was affected, then I would think the legislation would be lacking in the respect that we in western Canada would like to see corrected.

I cannot help but think of my own Province of Saskatchewan and the loss of population there; perhaps I should not say the loss of population altogether, but the limitation of growth that has resulted from what happened during the last Great War and the period immediately following. We have failed to achieve an increase in population of approximately half a million people, in a period when other parts of the country have been growing, largely because of the centralization of industry that was encouraged during that particular period. I hope that the bill will be broad enough to take into consideration the truly national needs of our country in this regard, and will restore to the prairie region in western Canada some of the incentives that have been lacking during the past many years. Therefore, Mr. Chairman, without saying anything further in this regard at this particular time I will await the introduction of the bill.

• (9:30 p.m.)

The Deputy Chairman: Shall the resolution carry?

Some hon. Members: Agreed.

The Deputy Chairman: Shall I report the resolution?

Mr. Peters: On division.

Resolution reported and concurred in.

Mr. Drury thereupon moved for leave to introduce Bill No. C-129, to provide incentives for the development of industrial employment opportunities in designated areas in Canada, and to effect certain related amendments to the Income Tax Act.

Motion agreed to and bill read the first time.

SUPPLY

INTERIM SUPPLY

The House resumed consideration in Committee of the following resolution—Mr. Gordon—Mr. Batten in the Chair.

Resolved, that a sum not exceeding $1,651,292,282.42, being the aggregate of:

(a) four twelfths of the total of all the items set forth in the main estimates for the fiscal year ending March 31, 1966, laid before the House of Commons at the present session of Parliament, except external affairs item 15, mines and technical

surveys item 70; and external affairs item 20 for which the proportion is three twelfths, $1,456,413,323;

(b) an additional four twelfths of the amounts of agriculture items 25 and 45, legislation item 15, and loans, investments and advances item L30 (Schedule A) of the said main estimates, $4,664,625;

(c) an additional two twelfths of the amount of northern affairs and national resources item 15, (Schedule B) of the said main estimates, $2,258,500;

(d) an additional one twelfth of the amounts of agriculture items 5 and 60, fisheries item 10, mines and technical surveys items 10, 15, 25, 45 and 60, national film board item 1, northern affairs and national resources item 45, (Schedule C) of the said main estimates, $9,566,025;

(e) seven twelfths of all the items set forth in the supplementary estimates (b) laid before the House of Commons at the present session of Parliament, $162,394,142.75;

(f) an additional four twelfths of the amounts of agriculture items 17b, 25b and 35b, mines and technical surveys item 70b, and loans, investments and advances item L78b, (Schedule D) of the said supplementary estimates, $7,245,666.67;

(g) an additional three twelfths of the amount of finance item 15b, (Schedule E) of the said supplementary estimates, $8,750,000,

be granted to Her Majesty on account of the fiscal year ending March 31, 1966.

Mr. Fairweather: Mr. Chairman, there are one or two points which I think should be covered before the House proceeds to take an adjournment, and I can think of no better time than at 25 minutes to ten on a warm summer evening, after other dramatic events have taken place, to share with the Committee my views on such matters. One portfolio which any New Brunswick Member would be proud to discuss at this time of night is that of public works.

There are two points I wish to make here. One is that the Government has failed to complete roads to resources projects which have been started during the last few years. This is a co-operative scheme between the Government of Canada and the governments of the provinces. Yet the location of the various roads and whether or not they are to be completed is decided at the whim of the provincial administrations. I should like to bring to the attention of the Minister of Public Works two projects which, by a strange coincidence, happen to be located in my constituency. One of them is popularly known as the Kingston peninsula trail. This road has been under way for the past six years. In answer to an inquiry of mine directed to the Ministry I find that no steps are being taken this year to finish the remaining 12 miles of this tourist attraction.

Then there is a very important road to resource between the communities of Chipman in the County of Queens, in the constituency of Royal, and the community of Doaktown. The Parliamentary Secretary to the Minister of Public Works would have just as much interest as I in the completion of this road, which is very much needed by the lumbering community.

The second point with regard to public works which I should like to make concerns the absence of any announced Government policy of assistance to marinas and other boating facilities along navigable waters. The Minister of Northern Affairs on the radio last night spoke of water as being the most important of our resources. I am one who believes that this is the fact, and in this regard I am saddened to think of the great Saint John water system. Some years ago, in the thirties, we had a program of construction of public wharves. In those days it used to be thought that these wharves should have a commercial use, in the narrow sense of the word. I regret to say that I have been unable to persuade the Government, in these days when so many people have the use of motorboats and other pleasure craft, that this type of use should also be regarded as commercial use.

The Saint John River system has some 60 public wharves owned by the Queen in the right of Canada, and I think that it is tragic that a vigorous policy of exploitation has not been embarked upon by the Government to enable people with leisure, among whom I should like to think Members of Parliament may soon fall if events take their proper course, to enjoy the unmatched beauties, if I may be chauvinistic, of the Saint John River system.

These two matters are very close to the constituency of Royal, Mr. Chairman, but I should like to move to another area to which I think the Government should pay more than lip service, namely the subject of university education. This subject has been the pet of a great many Members and I should like to say that the interest is not restricted to Members of this party. As a matter of fact, I think it has been almost a backbench crusade, with one exception, and that exception was the late hon. Member for Digby-Annapolis-Kings, who made many important speeches on the subject of the negligence, which is what it was really, of the Government in failing to provide any increase in assistance to Canadian universities.

The Minister and his Parliamentary Secretary have replied to questions of mine and of other hon. Members by saying that the Government is awaiting the results of the Bladen Commission before announcing policy.

This of course is the typical answer of a Government which does not wish to take any responsibility; it finds some commission and hides behind it, not announcing any policy. This Government, which came into office on votes gained by promises of bold and daring acts for all our people, has really shown a curious lack of policy in connection with higher education in this country. Those of us who like not only to fight politics at the constituency level but also like to stand back once in a while and philosophize about politics, find it curious that here we have a party which prides itself on its appeal to the intellectual levels of the country and which tosses about fancy phrases, yet when the issue is joined no government in recent Canadian history has done less—in fact this Government has done nothing—for higher education in Canada than this one. At least there has been no increase in assistance. Yet the Government has received briefs from the Canadian Universities Foundation, one as early as May, 1963 and another as of December, 1963. During the intervening period of time other submissions have been made.

• (9:40 p.m.)

It is also a curiosity in this country that there is no one on the staff anywhere in the ministry of Canada, at the federal level—I want to be fair, but I think this is a fair statement—who really has the responsibility for enunciating or recommending policy to the Government of Canada about higher education. For a short while the Government had the benefit of the services of Mr. Kenneth Taylor but, if my memory serves me correctly, this individual has not been part of the public service for at least a year.

So here we have a Government that spends I think not quite four tenths of 1 per cent of the national budget on higher education, and coupled with this shocking figure is the absence of any spokesman for higher education in the public service.

The university students of my province staged a wonderful democratic protest, in the best traditions of a public protest, in front of the legislature in our province following the announcement that the fees of the provincial University of New Brunswick were to be raised because of the lack of action on the part of the federal Government. I am also aware of the complaints of the undergraduates at Mount Allison University, and at many of the universities of Nova Scotia.

There are several persons adorning the Government benches, some of whom are in the Ministry, who have had a role to play as teachers and professors in our Maritime universities. Yet, to use a well worn cliché, they sit idly by with a smile on their faces while this problem is allowed to deteriorate. Maritimers should be glad to know that the Prime Minister of Canada intends to travel to one of our Maritime universities, in mid-July I think, to receive an honorary degree. I hope in his statement, comments or speech, if he is to make one—or at least in his dialogue which is another well-worn current cliché—he will bring about a change of heart in university circles, which has existed for the last few years, which will make them believe that this Government is the able and daring Government which publicity emanators promised it would be.

The serious thing is that undergraduates are getting ready now—this is the time of year—to enter our universities; yet this Government has done nothing upon which university administrators or the young people of this country can pattern themselves or plan for the forthcoming academic year. I should like to ask the Minister of Finance whether he has received any protests from student university groups about the increases of fees that have been announced, not only in my own part of Canada but also in western Canada, where there has been general objection taken. Has the Minister received any representations from university presidents or representatives of university administrators, respecting the policy of the Government, to upgrade the per capita grant to the very minimum of the often suggested three dollar figure in time for the next academic year? This would be a dramatic gesture that could take place and which would receive the general approval, I am sure, of all Members, before we go home to our constituencies.

Mr. Chairman, if the Minister is about to make such an announcement, I will be glad to yield the floor so that he can capture some of the drama of this day, by doing something that he should do for Canada.

An hon. Member: He is not even listening.

Mr. Fairweather: Of course he is not listening, but I know that tomorrow he will have a précis of this compelling speech placed on his desk, so that he will be able to formulate a reply to appease the people of this country, so in turn they will know that the Government has not been negligent in respect of higher education.

Now that the universities have had a comment or two from me, I have one last comment to make on interim supply which has

to do with the truly extraordinary things that are going on in the City of Montreal in relation to Expo '67. I am astounded by the concept of Expo '67, and I think that many of the events that are planned for that great exposition will be really wonderful evidence of the progress that Canada has made. I must confess, however, that I am one of those who derive neither aesthetic nor any other thrill from the strange projection the Mayor of Montreal is going to erect into the skyline of that city, provided President de Gaulle still wants to co-operate in this strange misuse of public funds. I hope the funds of the Government of Canada are not going to be spent in this attempt to reach for the stars, that is being planned for that city. Surely there are many other things that we can plan which may be useful, on a permanent basis, to the general population of Canada.

Someone suggested that perhaps the facilities could be used for a university campus. I am not able to make any judgment as to whether or not that is a sensible suggestion, but I think I am as competent as anybody else to judge whether or not this strange thing that is going to be projected into the sky is a waste of money. I suppose I will receive a slick comment from the Expo officials telling me exactly what this projection—I cannot use the word I intended to use—has to do with Man and his World in 1967.

I was somewhat upset by the appeal made by Mr. Kniewasser—I hope I have pronounced his name correctly, but it does not matter because it will be transcribed in *Hansard* correctly—for $30 million from private industry, as was announced in the Montreal *Gazette* of June 23. Apparently he wants this amount of money from private industry so that Expo '67 can carry on its plan. Mr. Kniewasser in his appeal said that this amount was necessary because of the reluctance of some major industries to come forward with donations. I am sure the reluctance on the part of industry is the result of the unusual nature of this clause.

• (9:50 p.m.)

I do not, of course, expect that it will be possible to do so before we adjourn for the summer but certainly when we return after the summer recess a great many people will want to have the opportunity to look at a very detailed report of costs, to date. I had hoped that this would be possible earlier so that the upset industry is experiencing about Expo '67 could be somewhat allayed by this information. If Expo '67 is not to become a white elephant it should have the very diligent and vigilant scrutiny of Treasury Board, for instance, and all the other manifestations of good government accounting practices.

Mr. Sharp: May I ask the hon. gentleman a question?

Mr. Fairweather: I would be delighted to have a question.

Mr. Sharp: I know the hon. Member would not want to misrepresent the situation or do any harm to the cause of Expo. Is he aware that what Mr. Kniewasser was talking about was not the rising costs of Expo in the sense in which the hon. Member was speaking, but the rising costs of construction?

Mr. Fairweather: One of my colleagues suggests that if we did not have the 11 per cent tax on construction material and equipment—

An hon. Member: Imposed by the Government.

Mr. Fairweather: I am getting lots of advice at this late hour of the night from my colleagues—construction costs might not be as great. I do not think it really matters, to my argument, whether it is construction costs that are rising or what is rising. All I know is that the Montreal *Gazette* of June 23 last had this headline: "Expo Searches For $30 Million To Keep Three Projected Pavilions". Over one story there is a subheading, "M.P. Renews Demand For Probe" and over another story by Bill Bantey there is the subheading "Kniewasser Appeals to Canadian Business". The story follows and hon. Members can read it to their own satisfaction.

But I think there is some public concern about Expo, and just because we stand here and ask questions we should not be considered to be against the project. I for one think it is a most imaginative project but, like any other project, I think we should be able to know roughly, within say $20 million or $30 million, what the eventual cost of Expo '67 will be. I do not think this is an unrealistic or unparliamentary request for one to make.

I have covered various facets of interim supply and I hope that tomorrow afternoon there will be some answers from the ministry with regard to some of the problems I have posed. Most important to Canada as a whole, of course, is the problem facing our universities. Because I have a great interest in my own constituency I should also like to think

that the Minister of Public Works will answer my questions about the roads to resources program and also an imaginative program for the use of the Saint John River. Because I should like to think that Expo '67 has the wholehearted approval, understanding and sympathy of the business community as well as all Members of Parliament, I am sure the Minister of Trade and Commerce will want to calm the fears of a good many people about this project. We will leave it to the President of France to decide whether a tower will be constructed to spoil what is otherwise the rather lovely skyline of the great City of Montreal.

Mr. Lambert: Mr. Chairman, I wish to add a postscript to the remarks I made yesterday on interim supply when I raised the question of William Grant, former Yukon agent of the Indian Affairs Department. I received the news today that his colleague, Joseph Armishaw, who was also charged, has been found not guilty on all charges. This man was suspended as of September, 1963. The charges were only laid on November 4, 1964. He too has been without salary and has had to fall back on whatever resources he could scrape up. One can readily understand how difficult it would be for a civil servant to obtain interim employment when he is under suspension.

Some people seem to think that undue influence was used in regard to these cases. I want to say again that I am amazed at the humanity expressed in certain cases but which did not apply in regard to these two cases. Therefore I trust that before we conclude interim supply we will get an answer with regard to Grant and Armishaw.

I received today a news item from Edmonton stating that Jean Dastous, director of administration in the Department of Indian Affairs, has said in reply to an inquiry that William Grant cannot be returned to his previous job because there was a separation. Does this mean that the man has been fired? To me the word "separation" means only one thing, that he has been dismissed from the service or has been pressured into resigning.

We want to know precisely what is happening in this regard, in the light of the comments by the judge and in the light of the comments by the people of the community. We are not content with just being given the decision of some man here in Ottawa far removed from the scene. We know there have been very strong comments by the Justices of the Northwest Territories and the Yukon Territory with regard to the bureaucratic machine that has to do with northern administration, and certainly I should not like to be in the shoes of those people who are the butt, shall we say, of the criticism of these two Justices, both of whom know the north country and both of whom are eminent lawyers. One was appointed by a former Liberal administration. I refer to Mr. Justice Sissons who used to be a Member of this House. Mr. Justice Parker had a long career in the Northwest Territories before appointment. Surely these men know what they are talking about. Yet it seems that the words of these men and the words of other people in that area fall on deaf ears when they strike Ottawa.

It had also been my understanding that the Minister of Justice was going to reply to remarks made by the Leader of the Opposition concerning a Justice of the Province of Ontario and one in the Province of Quebec whose positions are under review. A statement was promised. Are we going to have it before supply is granted?

Some hon. Members: Ten o'clock.

Mr. Lambert: I trust that the Minister of National Revenue is making note of all these things and that replies will be given tomorrow.

I call it ten o'clock, Mr. Chairman.

Progress reported.

At ten o'clock the House adjourned, without question put, pursuant to Standing Order.

APPENDIX

MEETING OF COMMONWEALTH PRIME MINISTERS, 1965—FINAL COMMUNIQUÉ

At the Meeting of Commonwealth Prime Ministers, which ended today, Pakistan, Ghana, Tanzania and Zambia were represented by their Presidents. Britain, Canada, Australia, New Zealand, India, Malaysia, Nigeria, Sierra Leone, Trinidad and Tobago, Uganda, Malawi, Malta and The Gambia were represented by their Prime Ministers. Jamaica was represented by the Acting Prime Minister; Ceylon by the Minister of Justice; Cyprus and Kenya by the Ministers of External Affairs.

This was the first Meeting at which Malta, Zambia and The Gambia were represented as Members of the Commonwealth; and the other Commonwealth Heads of Government were pleased to welcome them. The Prime Minister of The Gambia informed the Meeting that it was his country's desire to continue her membership of the Commonwealth after introducing a republican form of Constitution and to accept The Queen as the symbol of the free association of the independent member nations and, as such, the Head of the Commonwealth. The Heads of Delegations of the other Member countries of the Commonwealth assured the Prime Minister of The Gambia that they would be happy to recognise The Gambia's continued membership of the Commonwealth.

The Prime Ministers took note that their Meeting was being held during the International Co-operation Year which itself stemmed from a proposal by the former Prime Minister of India, the late Mr. Nehru. They recorded their sympathy with its objectives and their desire to assist in its success.

The twentieth anniversary of the foundation of the United Nations fell on the last day of the Meeting. The Prime Ministers sent a message of greetings and of good wishes to the Organisation to mark this occasion.

The Prime Ministers recognised that the Commonwealth, as a multi-racial association, is opposed to discrimination on grounds of race or colour; and they took the opportunity of their Meeting to re-affirm the declaration in their Communique of 1964 that, "for all Commonwealth Governments, it should be an objective of policy to build in each country a structure of society which offers equal opportunity and non-discrimination for all its people, irrespective of race, colour or creed. The Commonwealth should be able to exercise constructive leadership in the application of democratic principles in a manner which will enable the people of each country of different racial and cultural groups to exist and develop as free and equal citizens."

In the course of a comprehensive review of the major current international issues, the Prime Ministers noted with concern that, despite the efforts of many countries to promote peace and stability throughout the world, dangerous conflict, or the threat of conflict, persists in several areas. They expressed their conviction that in these circumstances all possible steps should be taken to reinforce the authority of the United Nations Organisation; and they discussed in this context the question of China's representation in the Organisation. They also reaffirmed their belief in the importance of the peace-keeping operations of the United Nations; and they renewed their support for the efforts now being made by a Committee of the United Nations to establish just and equitable principles for authorising, organising and financing peace-keeping operations. They considered it essential that the General Assembly, when it reconvened, should be able to function normally. They welcomed the voluntary and unconditional contributions which had been made to the United Nations in order to help towards relieving it of its financial difficulties; and they expressed the hope that, as a result of these and other actions, the United Nations would be able to discharge its functions. The Prime Ministers pledged their loyalty to the United Nations, the success of which they considered to be essential to the maintenance of world peace.

The Prime Ministers expressed serious concern over the grave situation in Vietnam and the danger of its developing into a major international conflict. They reviewed the various efforts which had been made to achieve a peaceful solution to the problem; and, bearing in mind that the Commonwealth, by virtue of its wide membership, represented a very broad spectrum of opinion in the world and that their Meeting was taking place

at a time when the peril to world peace was rapidly increasing, they considered, on the first day of the Meeting, a proposal for a new attempt to move forward to a peaceful solution. To this end a Mission was established to make contact with the parties principally concerned with the problem of Vietnam.

The Mission is composed of the Prime Minister of Britain, the President of Ghana and the Prime Ministers of Nigeria and of Trinidad and Tobago. The Prime Minister of Britain, as Chairman of the Meeting, was appointed Chairman of the Mission. Its object is to explore with the parties principally concerned how far there may be common ground about the circumstances in which a conference might be held leading to a just and lasting peace in Vietnam and, having ascertained such common ground, to seek agreement on a time, place and composition of a conference. The Mission will report progress from time to time to the Prime Ministers by whom they were appointed. The Meeting approved a statement of guidance to the Mission, a copy of which is attached to this Communique, together with copies of two statements issued by the Mission.

Malaysia

The Prime Ministers reviewed other developments in South-East Asia. They noted, with concern, that tension still persisted between Malaysia and Indonesia, thus disturbing the peace and security of the area, despite the interval since they had last collectively considered the matter and had stated in the Communique issued at the end of their Meeting in 1964, that "they assured the Prime Minister of Malaysia of their sympathy and support in his efforts to preserve the sovereign independence and integrity of his country and to promote a peaceful and honourable settlement of current differences between Malaysia and neighbouring countries". They recognised and supported the right of the Government and people of Malaysia to defend their sovereign independence and territorial integrity, and expressed their sympathy to the Prime Minister of Malaysia in his country's efforts to this end. They looked forward to the establishment of peaceful, friendly and mutually advantageous relations between Malaysia and Indonesia on a just and honourable basis.

Cyprus

The Prime Ministers expressed concern about the situation regarding Cyprus. They reaffirmed their full support for the U.N. Security Council resolutions on the subject. The Prime Ministers asserted that the Cyprus problem should be solved within the framework of the U.N. and its Charter and in accordance with the principles of democracy and justice and in conformity with the wishes of the people of Cyprus.

They appealed to all countries concerned to act in accordance with the Security Council Resolution of the 4th March, 1964, and to refrain from any action which might undermine the task of the United Nations Peace-Keeping Force to which a number of Commonwealth countries are contributing. They also expressed their appreciation of the work and persistent efforts of the United Nations Mediator.

Africa

The Meeting took note of the widely expressed regret at the failure of the Portuguese Government to give due recognition to the legitimate political aspirations of the peoples of the Portuguese territories in Africa. The Meeting expressed support for the application of the principle of self-determination to the inhabitants of Angola, Mozambique and Portuguese Guinea. The Prime Ministers reaffirmed their condemnation of the policy of apartheid practised by the Government of the Republic of South Africa and unanimously called upon South Africa to bring the practice to an end.

Caribbean

In discussion of Caribbean problems the Prime Ministers took note of the situation in the Dominican Republic. They expressed the hope that peace would be restored there and a final settlement reached within the framework of the Charter of the United Nations on the basis of self-determination and in accordance with the wishes of the people of the Republic.

Disarmament

The Prime Ministers reaffirmed the aim which they had expressed in their Statement on Disarmament on 17th March, 1961, namely to achieve total and worldwide disarmament, subject to effective inspection and control. They commended the thorough and useful work which had been done in furtherance of that aim by the 18-Nation Disarmament Conference since it first met in March, 1962, both on general and complete disarmament and on preliminary measures to build international confidence. They recognized that the

non-aligned members of the Conference, by playing a constructive and intermediary role, had contributed to the progress already achieved and had increased world understanding of the importance of disarmament.

The Prime Ministers believed that there was an urgent need for further progress in the disarmament field, both in the interests of world peace and in order to enable the nations of the world to devote their resources to more fruitful purposes. They considered that the problems involved in the elaboration of an agreement for general and complete disarmament should be re-examined, in the light of their Statement on Disarmament of March 1961, by the 18-Nation Disarmament Committee at Geneva. They considered that, in order to create the optimum conditions for the success of their efforts to achieve general and complete disarmament, the 18-Nation Disarmament Committee should resume its detailed negotiations at Geneva with a view to reaching agreement on the next steps to disarmament which could be submitted to an eventual World Disarmament Conference which should be open to participation by all States.

They welcomed the various proposals which had been put forward for measures to reduce tension and build up international confidence. They hoped that early progress would be made towards an acceptable agreement on some of these measures, including the limitation and reduction of stocks of nuclear weapons and delivery vehicles and a phased reduction in conventional armaments, as steps towards a world agreement for general and complete disarmament. They emphasized the urgency of arms control and, recognized that in appropriate areas agreement on nuclear-free zones could assist such control. In this connection the hope was expressed that in the preparation of the appropriate Treaties the declarations by the Organisation of African Unity and certain Latin American States regarding the establishment of nuclear-free zones in their own geographical areas would be respected.

The Prime Ministers emphasized that ways and means should be found for associating the People's Republic of China with future discussion on disarmament. Indeed they felt that the importance of a solution of the disarmament problem had been underlined by the fact that, since their last Meeting, the Government of the People's Republic of China had exploded two nuclear devices and had clearly demonstrated their intention to develop nuclear weapons.

The Prime Ministers wished to record their firm conviction that the continuing spread of nuclear weapons had created a serious danger to mankind. They believed that the development of new national nuclear weapon capabilities might jeopardise further efforts to bring about general and complete disarmament. Moreover, the prospects for achieving a fair settlement of disputes would suffer as international tension increased and there would be a growing risk that nuclear proliferation might cause a local conflict to escalate to a nuclear exchange into which the major nuclear powers might be drawn.

Accordingly, the Prime Ministers, fully aware of the gravity of the situation and of their responsibility to each other and to other members of the international community, expressed their determination to give urgent and wholehearted support to measures to prevent the spread of nuclear weapons. To this end they reaffirmed their willingness to join with other countries in signing as soon as possible any appropriate international agreement which would halt the proliferation of nuclear weapons.

They expressed the hope that efforts to extend the Treaty Banning Nuclear Weapons Tests in the Atmosphere, in Outer Space and Under Water should be extended to cover underground tests as well. They called on all nations to abstain from actions which might make agreement on general and complete disarmament or preliminary measures more difficult.

Dependent Territories

Britain made the following statement to the Meeting about the progress of British Colonial dependencies towards independence. The independent Members of the Commonwealth now amounted to no less than 21, including a population of more than 750 million: Britain had 31 remaining dependencies with only 10 million inhabitants, of whom over half were in Hong Kong and the South Arabian Federation. Nineteen of these dependencies contained less than 100,000 people and 6 less than 10,000. It was hoped that many of these remaining dependencies would reach independence in the next three years, including Basutoland, Bechuanaland, British Guiana, Swaziland and the South Arabian Federation; and also some or all of the territories in the East Caribbean, wither in a federation or separately.

The Prime Ministers of the other Commonwealth countries noted with approval the

further progress of British territories to independent membership of the Commonwealth since their last Meeting. They welcomed the assurance of the Prime Minister of Britain that it remained the objective of his Government to lead to independence, on the basis of democratic government and the principle of universal adult suffrage, such of the remaining territories as desired it and could sustain it; and that the British Government would continue to seek to devise the most appropriate alternative arrangements for such smaller territories as were unable, or unwilling, to proceed to full independence.

In relation to Basutoland, Bechuanaland and Swaziland the view was expressed that such economic assistance and guarantees of territorial integrity as were necessary to maintain the territories as independence states should be given.

As regards British Guiana, while differing views are held on the constitutional arrangements best suited for the country, the Prime Ministers welcomed the British Government's intention to hold a conference later this year, one of the tasks of which would be to devise a constitution, and to fix a date, for independence. The Prime Ministers noted the British Government's recognition of the need for adequate machinery to ensure human rights and due judicial processes.

As regards the countries of the Eastern Caribbean the Meeting expressed the hope that the assistance urgently required to strengthen their economies and ensure their viability so as to enable them to sustain the obligations of independence would not be delayed by the discussions on political arrangements.

Rhodesia

The Commonwealth Secretary informed the Meeting of the attempts which the British Government had made in recent months to resolve the problem of the further constitutional development of Rhodesia. He explained the considerations by which they were and would continue to be guided in their approach to the question of Rhodesian independence and emphasised that central to these was the necessity to provide guarantees that future constitutional development should conform to the principle of unimpeded progress to majority rule, together with an immediate improvement in the political status of the African population and the progressive elimination of racial discrimination. As they had repeatedly made clear, the British Government would only recommend to Parliament the grant of independence to Rhodesia if they were satisfied that this was on a basis acceptable to the people of the country taken as a whole. He emphasized the dangers of the use of force or unconstitutional methods by any party; and he reaffirmed in this connection the policies of the British Government as indicated in their statements of 27th October, 1964, and 29th April, 1965.

The Heads of Government of the Commonwealth took note of the Commonwealth Secretary's statement. They reaffirmed their previous statement that they were irrevocably opposed to any unilateral declaration of independence by the Government of Rhodesia, and further reaffirmed their insistence on the principle of majority rule.

While the Prime Ministers reaffirmed that the authority and responsibility for leading her remaining Colonies, including Rhodesia, to independence must continue to rest with Britain, they also reaffirmed that the question of membership of the Commonwealth by an independent Rhodesia, or by any other newly independent territory, would be a matter for collective Commonwealth decision.

The British Prime Minister was urged by other Prime Ministers to convene a constitutional conference at an early date, say within three months, which all the political leaders in Rhodesia should be free to attend. They reaffirmed that the object of such a conference should be to seek agreement on the steps by which Rhodesia might proceed to independence within the Commonwealth at the earliest practicable date on a basis of majority rule. In this connection they welcomed the statement of the British Government that the principle of "one man one vote" was regarded as the very basis of democracy and this should be applied to Rhodesia.

An appeal was made for the immediate release of all the detained or restricted African Leaders as a first step to diminishing tensions and preparing the way for a constitutional conference. A further appeal was made that the death sentences passed on persons now awaiting execution for offences under the Law and Order (Maintenance) Act should be respited.

It was further urged that, should the Rhodesian Government refuse to attend such a conference and to release the detainees, the British Government should introduce legislation to suspend the 1961 Constitution and appoint an interim Government, which should repeal oppressive and discriminatory laws and prepare the way for free elections.

The British Government said that they were actively engaged in discussions with the Government of Rhodesia; and they undertook to take full account, in relation to these discussions, of all the views which had been expressed during the Meeting. In this process of seeking to reach agreement on Rhodesia's advance to independence a constitutional conference would, at the appropriate time, be a natural step. If the discussions did not develop satisfactorily in this direction in a reasonably speedy time, the British Government having regard to the principle enunciated by the Commonwealth Secretary of unimpeded progress towards majority rule would be ready to consider promoting such a conference in order to ensure Rhodesia's progress to independence on a basis acceptable to the people of Rhodesia as a whole.

The Prime Ministers renewed their call to all leaders and their supporters in Rhodesia to abstain from violence and to co-operate in the work of fostering tolerance and justice, as the basis of a society in which all the inhabitants would be assured that their interests would be protected.

Economic Affairs

The Prime Ministers then turned to consider problems of aid and development. They recognised that economic and social development constitute a long-term co-operative enterprise in which all countries can work together. The importance of economic planning in relation to development would call for an increased supply of experts; and concerted measures would therefore be required in order to enlarge and mobilise resources of this kind by means of adequate facilities for education and training.

The Prime Ministers appreciated the importance of programmes of economic aid to the developing Commonwealth countries. They took note of the contributions made to such programmes by Commonwealth countries both collectively and individually; and they agreed that these programmes should be maintained and expanded as far as possible. They endorsed the concept of co-operative forward planning of development aid which would apply not only to matching the assistance provided by the developed countries with the needs of the developing countries but also to the supply of personnel for schemes of technical assistance, to which they agreed that high priority should be given. They welcomed the establishment of the British Ministry of Overseas Development together with the decision of the British Government to provide loans free of interest in appropriate cases; they also expressed their appreciation of the similar loans already provided by the Government of Canada and of the fact that the Government of Australia makes its aid available wholly on the basis of grants. It was suggested that, in those cases where financial assistance would remain unused, or give rise to serious internal problems, because of the inability of some recipient countries to finance local costs, donor countries should consider making financial contributions to cover a proportion of such costs. The Prime Ministers recognised the importance of the flow of direct investment to developing countries and expressed the hope that, insofar as economic circumstances permit, the minimum restriction would be placed in its way.

The Prime Ministers recorded their satisfaction at the constructive outcome of the Third Commonwealth Education Conference in Ottawa last August; they looked forward to an equally successful result for the Commonwealth Medical Conference which is to be held in Edinburgh in October 1965.

The Prime Ministers agreed that effective development is promoted not only by aid but even more by trade. Moreover, they were convinced that an expanding exchange of goods and services, by emphasising the interdependence of the countries of the world, was one of the most effective ways of promoting the growth of international understanding and the elimination of the causes of friction.

In further discussion of economic development in the Commonwealth, emphasis was laid on the importance to the economies both of Britain and of certain other Commonwealth countries of emigration to Britain from those countries. The Prime Ministers recognised that the extent of immigration into Britain was entirely a matter for the British Government to determine. The hope was expressed that in operating such immigration controls as they might think necessary, the British Government would continue to give preferential treatment to Commonwealth citizens; and they welcomed the assurance of the British Prime Minister that there would be no differentation in any restrictions on account of colour or creed.

The Prime Ministers welcomed the work which had been done since their last Meeting in carrying forward the initial impetus to the expansion of trade which was provided by the United Nations Conference on Trade and Development; and they pledged themselves

afresh to press for more outlets for the trade of developing countries.

They stressed the importance to the development of the economies of member countries of the Commonwealth of the prices obtained for their primary commodities, particularly where the prices of primary produce fell in relation to prices of manufactured goods. The low levels to which the prices of cocoa and some other commodities have fallen are a matter of serious concern to producers. The problem of commodity prices extended beyond the Commonwealth and the Prime Ministers endorsed the need for consideration of the strengthening of existing international commodity agreements, where appropriate, and stressed the urgent need of negotiating further agreements of this kind.

The Prime Ministers agreed on the desirability of exploring means by which Commonwealth trade might be encouraged and expanded. One possibility would be to enable Commonwealth Governments, in planning their economic development, to take into account each others' plans. An exchange of information of this kind might enable production to be more effectively matched to requirements in the Commonwealth and thus increase trade between Commonwealth countries.

The Prime Ministers accordingly agreed on the following measures designed to further these objectives, while at the same time reaffirming their support for the Kennedy Round of tariff negotiations now proceeding at Geneva, which these measures will not affect. They agreed to arrange discussions between officials of Commonwealth Governments in the first instance, with the help of the Commonwealth Secretariat, in order to examine these issues further and to prepare for an early meeting of Commonwealth Trade Ministers. These official discussions could also pay special attention to problems of individual commodities of particular interest to Commonwealth countries, in order to see how far policies could be co-ordinated within the Commonwealth with a view to appropriate further action, whether on a Commonwealth or international scale.

They also agreed that subsequently the appropriate Ministers or officials in Commonwealth countries should meet to consider the extent to which each country's production and plans, as foreseen, could meet requirements in other Member countries.

Ministers decided to consider through the medium of the Commonwealth Air Transport Council means of promoting a closer understanding of the basic civil air transport requirements of Member countries.

In addition the Commonwealth Secretariat will examine the possibility of arranging for the results of research to be shared more widely among Commonwealth countries.

Commonwealth Foundation

At their previous Meeting in 1964 the Prime Ministers considered that it might be desirable to establish a Commonwealth Foundation to administer a fund for increasing interchanges between Commonwealth organizations in professional fields; officials were instructed to consider this proposal in greater detail. At their present Meeting the Prime Ministers approved a report by officials and an Agreed Memorandum on the establishment and functions of the Foundation which is attached to this Communiqué.

Commonwealth Secretariat

At their 1964 Meeting Prime Ministers saw a Commonwealth Secretariat as being a visible symbol of the spirit of co-operation which animates the Commonwealth and instructed officials to consider the best basis for establishing a Commonwealth Secretariat. At their present Meeting the Prime Ministers had before them a report by officials which they approved and an Agreed Memorandum on the establishment and functions of the Secretariat is attached. As already announced, they have unanimously approved the appointment of Mr. Arnold Smith as the first Secretary-General.

COMMONWEALTH MISSION ON VIETNAM

Statement of Guidance

1. To enable the Mission to approach its assignment meaningfully, there should be certain broad areas of agreement regarding the requirements for ending the conflict in Vietnam peacefully.

2. There is already general agreement on certain basic considerations:

(a) there is an inherent risk of the conflict in Vietnam escalating into a wider war.

(b) for this reason there are grave doubts as to an early or final solution by military means.

(c) a comprehensive cease-fire and a conference of all the parties directly involved in the situation seem to provide the essential precondition to the solution of the problem.

3. Bearing in mind these considerations and also the purpose of the Mission, it should

be guided by the following ultimate objectives during its consultations with the parties principally concerned:

(a) a suspension of all United States air attacks on North Vietnam;

(b) a North Vietnamese undertaking to prevent the movement of any military forces or assistance or material to South Vietnam.

(c) a total cease-fire on all sides to enable a conference to be convened to seek a peaceful solution.

(d) the objectives of such a conference might be to:

(i) end the war in Vietnam;

(ii) secure the withdrawal of all foreign military presence from Vietnam and the neutralisation of the area;

(iii) establish, for a period, an international peace force, under the auspices of the Geneva Agreement, to safeguard peace in Vietnam;

(iv) establish principles for the eventual unification of the country through free and internationally supervised elections.

Commonwealth Mission on Vietnam

The following statement was issued by the Mission on 19th June, 1965:—

'The mission appointed by the Commonwealth Prime Ministers' Meeting is to explore the circumstances in which a conference might be held to end the fighting in Vietnam.

Meanwhile, in order to create the conditions in which the mission can carry through its work, the mission is appealing to all parties concerned to show the utmost restraint in military operations as a step towards the total cease-fire which the mission hopes will be established at the earliest possible opportunity. The mission would wish to meet all the parties concerned.'

Commonwealth Mission on Vietnam

The following statement was issued by the Mission on 24th June, 1965:—

Because of certain misunderstandings which have gained currency during the last few days, the Heads of Government of Britain, of Ghana, of Nigeria and of Trinidad and Tobago wish to clarify the basis on which they agreed to form a Mission in connection with the problem of Vietnam.

The Mission was appointed by the London meeting of the Heads of Government of the Commonwealth and on behalf of the Commonwealth as a whole.

The Commonwealth as such is in no way committed to either side of the conflict in Vietnam and has formed no collective view except on the urgency of re-establishing conditions in which the people of Vietnam may be able to live in peace. Although within the Commonwealth there is diversity of opinion on the Vietnam problem, there is complete unanimity as to the need to find a peaceful solution.

In the discharge of the task entrusted to it the Mission will be guided by the views of the Commonwealth as a whole and not by the views of any individual member of the Commonwealth.

It is in this context that the Commonwealth is satisfied that its Mission must make direct contact with all the Vietnamese parties. It is re-iterated that positive steps should be taken by all outside parties to exercise restraint in military operations while the Mission is carrying out its task.

AGREED MEMORANDUM ON THE COMMONWEALTH FOUNDATION

A Commonwealth Foundation will be established to administer a fund for increasing interchanges between Commonwealth organizations in professional fields throughout the Commonwealth. It will be the purpose of the Foundation to provide assistance where it is needed in order to foster such interchanges.

2. The Foundation will be an autonomous body, although it will develop and maintain a close liaison with the Commonwealth Secretariat. Like the Secretariat, the Foundation will be accommodated at Marlborough House.

3. Within the broad purpose indicated above, the Foundation will include among its aims the following objects:

(a) To encourage and support fuller representation at conferences of professional bodies within the Commonwealth.

(b) To assist professional bodies within the Commonwealth to hold more conferences between themselves.

(c) To facilitate the exchange of visits among professional people, especially the younger element.

(d) To stimulate and increase the flow of professional information exchanged between the organisations concerned.

(e) On request to assist with the setting up of national institutions or associations in countries where these do not at present exist.

(f) To promote the growth of Commonwealth-wide associations or regional Com-

monwealth associations in order to reduce the present centralisation in Britain.

(g) To consider exceptional requests for help from associations and individuals whose activities lie outside the strictly professional field but fall within the general ambit of the Foundation's operations as outlined above.

4. The Foundation could usefully develop informal contacts with the Commonwealth Parliamentary Association. To avoid the risk of duplication with the activities of existing organisations concerned with cultural activities and the Press, the Foundation should not initially seek to assume any functions in these fields.

5. The policy of the Foundation will be directed by a Chairman, who will be a distinguished private citizen of a Commonwealth country appointed with the approval of all member Governments, and a Board of Trustees who should be expected to meet at least once a year. The Board of Trustees will consist of independent persons, each subscribing Government having the right to nominate one member of the Board. These nominees, even if officials, will be appointed in a personal capacity. The Commonwealth Secretariat will be represented on the Board of Trustees by the Secretary-General or an officer appointed by him.

6. There will be a full-time, salaried Director who will be appointed, initially for a period of not more than two years, by Commonwealth Heads of Government collectively acting through their representatives in London. He will be responsible to the Board of Trustees.

7. The Director will require a small personal staff: general office services will be provided by the Commonwealth Secretariat.

8. It is hoped that Commonwealth Governments will subscribe to the cost of the Foundation on an agreed scale. Payment of the first annual subscriptions will be made as soon as the Director has indicated that a bank account for the Foundation has been opened. It is hoped that, in addition, private sources may be willing to contribute to the funds of the Foundation.

9. The accounts of the Foundation will be audited annually by the British Comptroller and Auditor-General, whose report will be submitted to the Board of Trustees. The financial year of the Foundation will be from 1st July to 30th June.

10. The budget of the Foundation will be subject to the approval of the Board of Trustees.

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11. The British Government will draw up the necessary documents to set up the Trust and take any further steps needed to constitute the Foundation as a legal charity.

AGREED MEMORANDUM ON THE COMMONWEALTH SECRETARIAT

I. Establishment of the Secretariat

Pursuant to their decision announced after the conclusion of the Commonwealth Prime Ministers' Meeting in July 1964 the Commonwealth Prime Ministers have decided to establish forthwith a Commonwealth Secretariat. As envisaged in the communiqué issued at the close of the 1964 Meeting, the Commonwealth Prime Ministers see the Secretariat as being at the service of all Commonwealth Governments and as a visible symbol of the spirit of co-operation which animates the Commonwealth.

II. Site of the Secretariat

2. The British Government will arrange for the Secretariat to be accommodated in Marlborough House.

III. Functions of the Secretariat

3. The Commonwealth Prime Ministers have given further consideration to the role of the Commonwealth Secretariat, and the following paragraphs record the functions which they have agreed it should perform.

4. The Secretary-General and his staff should approach their task bearing in mind that the Commonwealth is an association which enables countries in different regions of the world, consisting of a variety of races and representing a number of interests and points of view, to exchange opinions in a friendly, informal and intimate atmosphere. The organisation and functions of the Commonwealth Secretariat should be so designed as to assist in supporting and building on these fundamental elements in the Commonwealth association. At the same time the Commonwealth is not a formal organisation. It does not encroach on the sovereignty of individual members. Nor does it require its members to seek to reach collective decisions or to take united action. Experience has proved that there are advantages in such informality. It enables its members to adapt their procedures to meet changing circumstances; conversely there would be disadvantages in establishing too formal procedures and institutions in the association.

General considerations

5. Both the Secretary-General and his staff should be seen to be the servants of Commonwealth countries collectively. They derive their functions from the authority of Commonwealth Heads of Government; and in the discharge of his responsibilities in this connection the Secretary-General should have access to Heads of Government, who will indicate the appropriate channels of communication to them.

6. The Secretariat should not arrogate to itself executive functions. At the same time it should have, and develop, a relationship with other intra-Commonwealth bodies.

7. The Secretariat should have a constructive role to play. At the same time it should operate initially on a modest footing; and its staff and functions should be left to expand pragmatically in the light of experience, subject always to the approval of Governments.

8. Against this background and in the expectation that, as its contacts spread, the Secretariat could expect to receive increasing calls on its resources, the various functions which it will exercise fall under the following broad headings: international affairs, economic affairs and general and administrative functions.

International affairs

9. Consultation is the life blood of the Commonwealth association. At their Meeting in July 1964, the Commonwealth Prime Ministers expressed the view that on matters of major international importance a fuller exchange of views could very appropriately be promoted on an increasingly multilateral basis through the agency of the Secretariat. They were particularly anxious to ensure that there should be opportunity for fuller participation by all member countries in the normal processes of Commonwealth consultation. At the same time they showed themselves conscious of the importance of maintaining the unwritten conventions which have always determined those processes. The Secretary-General will observe the same conventions and act in the same spirit.

10. In so far as Commonwealth Governments agree that the Secretariat should discharge any specific task, it will be fully at their disposal. In general, however, its purpose will be to serve them by facilitating and promoting consultation on matters of common concern. To this end, subject to the general principles set out in paragraphs 12 and 13 below, the Secretary-General will arrange to prepare and circulate papers on international questions of common concern to all Commonwealth Governments where he considers it useful to do so. It may also prove helpful if, in consultation with the Governments concerned, he arranges occasional meetings of officials of member Governments for the exchange of information and views on agreed subjects. Such meetings might on occasion, if member Governments agreed, take place in various Commonwealth capitals or elsewhere.

11. The general principles which the Secretary-General will observe are set out in the following paragraphs.

12. The functions of the Secretariat are envisaged as being inter alia the dissemination of factual information to member countries on matters of common concern. "Factual" information cannot be precisely defined; but, provided that the Secretary-General proceeds with circumspection in the exercise of this function, he is authorised, where he thinks it useful to do so, to prepare and circulate, either on his own initiative or at the request of a member Government, papers on international questions of common concern, provided that these papers do not propagate any particular sectional or partisan points of view, contain no policy judgments or recommendations by the Secretariat and do not touch upon the internal affairs of a member country or disputes or serious differences between two or more member countries. In addition, the Secretary-General will, on the request of a member Government, circulate papers submitted by that Government on international questions of common concern, provided that, if these touch upon the internal affairs of member countries or disputes between two or more member countries, they will not be circulated without prior concurrence of the country or countries concerned. The Secretary-General has discretion to refuse to prepare or circulate any paper, whatever its origin, which in his view propagates any sectional or partisan point of view or would for any other reason be liable to be offensive to any member country or countries.

13. The position of the remaining dependent territories within the Commonwealth is one matter which continues to command lively interest among member countries. The Secretariat could play a role in this field; and it might circulate to member Governments balanced papers on the constitutional advance of the remaining territories or on

their progress towards independence, on the understanding that the responsible member Governments would always be closely consulted in the preparation of the papers.

14. The Secretariat will be guided by the principles outlined in the preceding paragraphs because it is important that it should develop as a unifying element within the Commonwealth. But, provided that it begins modestly and remains careful not to trespass on the independence and sovereignty of the member Governments whose servant it will be, it will be possible for it to grow in the spirit of the Commonwealth association itself. All Commonwealth Governments wish to contribute to this process and will be ready to assist the Secretary-General in every possible way. In particular the Secretary-General will from the outset establish close relations with Commonwealth Governments and with their representatives in London; and Governments will arrange to keep the development of the Secretariat's functions under regular review, by means of an annual report on its work. By these means the Secretariat will gradually accumulate, with the passage of time, a body of knowledge and experience which will contribute to an even closer understanding among member Governments on those major international issues which are of common and continuing concern to all the members of the Commonwealth.

Economic Affairs

15. The Secretariat will discharge several valuable roles in the economic field, the more important of which are outlined in the following paragraphs. Several intra-Commonwealth bodies are already actively at work in this field, and their relationship to the Secretariat is to be examined in accordance with the arrangements set out in paragraphs 23 to 26.

16. The Secretary-General will initiate, collate and distribute to member Governments material bearing not only on economic problems, but also on social and cultural issues in respect of which the potential value of his work could be considerable. He is authorised to follow up the specialised factual reports of the various agencies already at work in these fields by promoting wider ranging studies on, e.g., the inter-relationship of agricultural and industrial growth in the new Commonwealth. In this connection the Secretary-General may implement such tasks by commissioning, within the limits prescribed by his approved budget, specialist studies from outside expert sources rather than by engaging additional permanent staff.

17. Apart from servicing meetings of the various Commonwealth economic bodies, the Secretariat may, as appropriate, be represented at meetings of these specialised agencies in order to keep in close touch with their activities; and it will also keep in touch with the various United Nations agencies whose work in Commonwealth countries will on occasion be of direct concern to it.

18. In connection with the general economic aspects of the Secretariat's work, the proposals advanced at the last meeting of Commonwealth Prime Ministers for the initiation of joint Commonwealth Development Projects in individual Commonwealth countries are relevant. The passage from the 1964 communiqué read:

"In particular they considered a proposal that development projects might be launched in individual Commonwealth countries, which would be implemented by various members acting in close collaboration and contributing whatever resources—in men, money, materials and technical expertise—they could most appropriately provide. Such projects, which would be additional to the support which Commonwealth countries already provide to the United Nations Special Fund and Expanded Programme of Technical Assistance, could be directed to a number of different purposes—the improvement of agricultural production and the development of natural resources through extension services, training and research; the enlargement of professional and technical training; the development of new industries; and so forth. But they would all be inspired by the common purpose of promoting the development of the Commonwealth by a co-ordinated programme of joint or bilateral projects. The British Government said that they would be prepared to make a substantial contribution to projects of this kind within their expanding programme of development aid. The other member Governments expressed support for the objective of the proposal and agreed that further consideration should be given to the basis on which such a programme might be established."

19. As regards the Secretariat's general functions and, in particular, its activities in the economic field, it is important that nothing should be done which might disturb the existing channels of economic and technical assistance to member countries or duplicate the present bilateral and multilateral links.

The functions of the Secretariat in connection with the Commonwealth Development Projects are therefore expert and advisory and will not detract from the right of member countries to determine their own aid and development programmes.

20. Subject to these basic considerations the Secretariat will be able to play a valuable part in assisting member Governments, at their request, in advancing, and obtaining support for, development projects and technical assistance in a variety of fields on a multilateral Commonwealth basis, as appropriate. It will also help in the expeditious processing of requests for such assistance made by one Commonwealth country to another. In this connection, it will prepare and make available to Commonwealth Governments up-to-date information on the possibility of securing aid and technical assistance in various fields from individual countries of the Commonwealth.

21. Thus the Secretariat, by accumulating a reliable body of knowledge on the aid potential of the Commonwealth to which member countries can usefully have recourse for the purpose of promoting their own development, will enable Commonwealth countries generally to co-operate to the maximum extent possible in promoting the economic development of all.

22. In general, the Secretary-General, in discharging his functions in this field of economic and related affairs, will be guided by the principles set down in paragraphs 12 and 13.

Proposed Review of Intra-Commonwealth Organisations

23. A comprehensive review of existing intra-Commonwealth organisations concerned with economic and related affairs will be carried out, in view of the changing nature of the Commonwealth and of the fact that the multiplicity of organizations working in these fields has created problems of staff and finance.

24. The main purpose of this review will be to examine whether existing work on economic and related affairs is being unnecessarily duplicated; how far the activities of the Specialised Agencies of the United Nations now supersede those of existing intra-Commonwealth bodies; what Commonwealth bodies might usefully be absorbed within the Secretariat; which have functions so specialised that they cannot profitably be so absorbed; and how close co-operation between these latter and the Secretariat, particularly in the light of the needs of the changing Commonwealth, can most effectively be achieved.

25. In order to secure an impartial appraisal and to protect the future relationship between the Secretariat and other Commonwealth organisations this review will be carried out by a small committee, appointed by Commonwealth Governments, under an independent Chairman. In order to safeguard the Secretary-General's position he will not be a member of the Committee. Nevertheless, he will have the right to be present or to be represented throughout the proceedings of the Committee and to participate in its discussions. The Commonwealth organisations concerned will, of course, have the right to submit evidence to the Committee.

26. Pending the outcome of the review the Secretariat and the Commonwealth Economic Committee will work in the closest consultation. Again without prejudice to the review, the Secretariat will take over from the Commonwealth Relations Office as soon as convenient the secretarial functions which that Department at present carries out on behalf of the Commonwealth Liaison Committee.

Servicing of Commonwealth Meetings

27. The Secretariat, operating as the visible servant of the Commonwealth association, will carry out the task of servicing future meetings of Commonwealth Heads of Government and, where appropriate, other Ministerial and official meetings open to all members of the Commonwealth. The Secretariat will be able to rely on the host country for such secretarial help as it cannot itself provide and for assistance in matters of accommodation, hospitality, transport and the like.

28. The Secretariat will service the annual conferences of the Commonwealth Economic Consultative Council and meetings of the Commonwealth Liaison Committee. The more technical or specialised organisations, e.g., the Commonwealth Education Conference, the Commonwealth Education Liaison Committee or the Commonwealth Telecommunications Board will, pending the proposed review of Commonwealth organisations, continue to organise their own meetings.

29. As regards Meetings of Prime Ministers the Secretary-General will henceforth serve as Secretary-General to each Meeting. Subject to the principles set out in paragraphs

12 and 13 above, his duties will include the preparation, collation and circulation of papers on agenda items, together with such background papers as appear appropriate; the production of minutes; and, with the assistance of the host Government, the general organisation of the Meeting.

30. As to the preparation of the agenda itself, the Secretary-General will be responsible for co-ordinating this process in the light of such direct discussions as Commonwealth Heads of Government may find convenient. Heads of Government will maintain the practice whereby the provisional agenda is drawn up, after consultation among themselves, in the form of a list of broad headings for discussion and they also reserve to themselves decisions on the timing and location of their Meetings.

IV. Administrative Arrangements

31. In consonance with the above functions of the Secretariat, its administrative organisation will be as follows.

32. The Chief Officer of the Secretariat will be the Secretary-General, and all members of the staff of the Secretariat will be responsible only to him.

33. The Secretary-General will be appointed by Commonwealth Heads of Government collectively. He will be a man of high standing, equivalent in rank to a Senior High Commissioner. A significant part of his duties will be visiting member countries of the Commonwealth.

34. The Deputy Secretaries-General will be appointed by Commonwealth Heads of Government acting through their representatives in London. One Deputy Secretary-General will have the necessary qualifications and special responsibilities for economic matters and should deal, on request, with development projects. As the work of the Secretariat expands, it may become necessary to appoint a second Deputy Secretary-General who will be primarily concerned with the other functions of the Secretariat.

35. The paramount consideration in the selection of staff and in the determination of conditions of service will be the necessity of securing the highest standards of efficiency, competence and integrity, due regard being paid to the importance of recruiting the staff on as wide a geographical basis as possible within the Commonwealth. The Secretary-General will have discretion, in the light of the above considerations, to appoint senior staff to the service of the Secretariat from among panels of names submitted by the Commonwealth Governments, who need not feel themselves limited to Government servants in submitting nominations.

36. The Secretary-General has authority to make appointments of junior staff, subject to the approved budgetary limitations.

37. All persons appointed to the staff of the Secretariat must be subject to clearance to the extent that their own Governments raise no objection to their suitability for employment. All members of the Secretariat, whatever their origin, must be strictly impartial in the discharge of their functions and place loyalty to the Commonwealth as a whole above all other considerations.

38. Senior officers, including the Secretary-General and Deputy Secretaries-General, will be appointed in the first instance for not more than five years and preferably not less than three in order to ensure continuity of administration. In determining the period of tenure of other individual officers, the Secretary-General will no doubt wish to have regard to the need to stagger appointments in order to avoid a complete change of senior staff at any one time.

39. The British Government will introduce legislation in order to give the Secretariat a legal personality under United Kingdom law and to accord to the Secretariat and its staff the immunities and privileges which are set out in Annex A.

40. Other Commonwealth Governments will take steps to accord corresponding immunities and privileges to the staff of the Secretariat when visiting their territories, subject to whatever constitutional processes are required.

41. The cost of the Secretariat will be borne in agreed shares by Commonwealth Governments; the scale of contributions is set out in Annex B.

42. The annual budget will be considered by the Commonwealth High Commissioners in London or their representatives, together with a United Kingdom representative, meeting as a Finance Committee. The budget will then be submitted to Commonwealth Governments for their approval. The Senior Commonwealth High Commissioner in London or a representative of the British Government will be responsible for convening the Finance Committee as necessary.

ANNEX A

COMMONWEALTH SECRETARIAT

Proposed Scale of Immunities and Privileges

1. Secretariat

(i) To have a legal personality and immunity from suit and legal process except—

(a) when expressly waived:

(b) in respect of motor accidents and motor traffic offences;

(c) when arbitration proceedings are taken in relation to written contracts (this implies the insertion of a compulsory arbitration clause in all contracts entered into by the Secretariat).

(ii) To have inviolability of premises, archives and communications.

(iii) To have relief from non-beneficial rates out of the United Kingdom Treasury Vote.

(iv) Goods imported for official purposes to be exempt from all Customs dues.

(v) To have immunity from direct taxes.

(vi) Indirect taxes on substantial purchases for official purposes to be reimbursed, out of the Commonwealth Relations Office Vote, e.g., on furniture and furnishings, office supplies, and British motor cars and road fuel duty on petrol used for official purposes. It is intended that the same treatment should be accorded to the Secretariat as is accorded to the Office of a High Commissioner.

2. Staff

(i) High officers

The Secretary-General, the Deputy Secretaries-General and other senior staff, to enjoy (provided they are not citizens of, or permanently resident in, the United Kingdom) the privileges and immunities appropriate to a diplomatic agent of comparable rank, appropriate arrangements being made in respect to British income tax.

This implies full personal immunities extending to the family of the High Officer, inviolability of private residence, continuing Customs privileges, relief from non-beneficial rates (out of the United Kingdom Treasury Vote), and reimbursement of purchase tax on British motor cars, and of excise duty on reasonable quantities of British spirits (both out of the Commonwealth Relations Office Vote).

In accordance with Article 38 of the Vienna Convention, diplomatic agents who are either citizens of the receiving State or permanently resident there enjoy only immunity from jurisdiction and inviolability in respect of official acts performed in the exercise of their functions. High Officers of the Secretariat who fall within the ambit of this Article would be treated accordingly; but they would not have their immunities and privileges restriced in this way solely and account of dual citizenship.

(ii) Other staff

(a) Any other staff recruited from Commonwealth countries other than the United Kingdom to enjoy first arrival Customs privileges—i.e., the right to import duty-free their furniture and personal effects, including a motor car (or refund of purchase tax from the Commonwealth Relations Office Vote if a British car is purchased), at the time of first taking up their post.

(b) All staff, including United Kingdom citizens, to enjoy immunity from suit and legal process only in relation to their official acts and inviolability only in relation to their official papers and documents. This official immunity will not extend to motor car accidents or motor traffic offences.

3. Income tax

The United Kingdom Government to repay to the Secretariat an amount broadly equivalent to the amount of income tax levied on the salaries and emoluments of Secretariat staff.

Annex B

COMMONWEALTH SECRETARIAT

Scale of Contributions

	Per cent
Australia	10.4
Britain	30.0
Canada	20.8
Ceylon	1.5
Cyprus	1.5
The Gambia	1.5
Ghana	1.5
India	11.4
Jamaica	1.5
Kenya	1.5
Malaysia	1.5
Malawi	1.5
Malta	1.5
New Zealand	2.5
Nigeria	1.5
Pakistan	2.4
Sierra Leone	1.5
Tanzania	1.5
Trinidad and Tobago	1.5
Uganda	1.5
Zambia	1.5
	100.0

HOUSE OF COMMONS

Wednesday, June 30, 1965

The House met at 2.30 p.m.

HOUSE OF COMMONS

PRESENTATION OF OIL PAINTING DEPICTING FATHERS OF CONFEDERATION

Mr. Speaker: Order. On the eve of the 98th anniversary of Canada's Confederation I ask leave to make an announcement of interest and importance to all hon. Members, which should be of significance to all Canadians.

In the tragic fire of 1916 that destroyed the old Centre Block we lost one of the finest historical treasures, the monumental oil painting by Robert Harris of the Fathers of Confederation. That famous painting, which only exists now in copy, depicts the Quebec Conference of 1864. I know all hon. Members will be delighted to learn that an exact restoration of the Robert Harris painting is to be presented to the nation by Confederation Life Association. It will be hung in the Parliament Buildings, hopefully well before July 1, 1967. The artist commissioned for this challenging task is Mr. Rex Woods, of Toronto, who is noted for his portrayal of persons and events from Canada's past.

The success of our forthcoming centennial hinges on the imagination and leadership of government at all levels, voluntary and other organizations, business and individuals. I am sure this gift to the nation from Confederation Life will help to make Canadian history come alive, both for our own people and for those of other lands.

AGRICULTURE, FORESTRY AND RURAL DEVELOPMENT

PERSONNEL OF STANDING COMMITTEE

Mr. J. E. Walker (York Centre) moved:

That the Standing Committee on Agriculture, Forestry and Rural Development under Standing Order 65 be composed of the following Members:

Armstrong
Asselin (Richmond-Wolfe)
Béchard
Beer
Berger
Choquette
Crossman
Danforth
Doucett
Éthier
Forbes
Gauthier
Gendron
Greene
Gundlock
Habel
Hamilton
Herridge
Honey
Horner (Acadia)
Jewett
Jorgenson
Kennedy
Langlois
Laverdière
Leduc
Lessard (Lac-Saint-Jean)
Loney
Matte
Moore
Muir (Lisgar)
Mullally
Olson
Ouellet
Peters
Pugh
Rapp
Roxburgh
Saltsman
Tucker
Vincent
Watson (Châteauguay-Huntingdon-Laprairie)
Watson (Assiniboia)
Webb
Whelan

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CONVICTIONS AND EXECUTIONS FOR MURDER

Question No. 42—**Mr. Matheson:**

1. In the period from 1920 to 1964 inclusive, how many persons convicted of murder and sentenced to death (a) were executed (b) had their sentences commuted?

2. Of those persons whose sentences were commuted, categorized by years served, how many convicts (a) died in custody (b) are still in custody (c) were released?

3. Of those persons who were released by parole or ticket-of-leave how many had to be returned to prison?

Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice): 1. (a) 387 executed; (b) 257 sentences commuted.

Note: With respect to part (a), it should be noted, if comparing this figure with statistics previously given by years, that the total yields one more than the addition of the individual years because of the omission of one case in 1954 which has now been corrected.

2. (a) 33 inmates: 4, 1 year; 1, 4 years; 2, 5 years; 3, 6 years; 1, 7 years; 3, 9 years; 3, 10 years; 1, 11 years; 1, 12 years; 1, 14 years; 1, 15 years; 1, 16 years; 5, 18 years; 1, 19 years; 1, 28 years; 1, 30 years; 1, 40 years; 1, 41 years; 1, 46 years; total 33.

(b) 94 inmates: 9, 1 year; 6, 2 years; 7, 3 years; 8, 4 years; 9, 5 years; 9, 6 years; 6, 7 years; 7, 8 years; 3, 9 years; 3, 10 years; 4, 11 years; 3, 12 years; 2, 14 years;

2, 15 years; 2, 18 years; 1, 19 years; 1, 24 years; 1, 26 years; 1, 29 years; 1, 30 years; 1, 33 years; 2, 34 years; 1, 37 years; 2, 40 years; 1, 41 years; 2, 43 years.

(c) 108 released: 1 between 2 and 3 years; 1 between 3 and 4 years; 3 between 5 and 6 years; 3 between 6 and 7 years; 4 between 7 and 8 years; 6 between 8 and 9 years; 5 between 9 and 10 years; 6 between 10 and 11 years; 9 between 11 and 12 years; 11 between 12 and 13 years; 2 between 13 and 14 years; 15 between 14 and 15 years; 20 between 15 and 16 years; 6 between 16 and 17 years; 6 between 17 and 18 years; 4 between 18 and 19 years; 2 between 19 and 20 years; 4 over 20 years.

3. Nine of those persons who were released by parole or ticket of leave had to be returned to prison.

Note: In comparing the number of commuted sentences with the total of those who died in custody, are still in custody and those released, it should be noted that the latter figures do not include those who were commuted and were committed to mental institutions. In addition, records were destroyed in the fire of June 1962, at St. Vincent de Paul Penitentiary, so that the documentation is not complete. The National Parole Board also reports that no assurance can be given that its records are complete for the earlier years.

FEDERAL CONTRIBUTIONS TO PROVINCIAL DISASTERS

Question No. 187—**Mr. Basford:**

In what year, in what amount, and how designated, has the federal government contributed to alleviating national disasters beyond the financial ability of the provinces?

Hon. G. J. McIlraith (President of the Privy Council): The information requested is given, for the years 1949-59 to 1961-62 on pages 4075 and 4076 of *Hansard* for October 28, 1963. The information for subsequent years is as follows: 1962-63, Nil; 1963-64, Nil; 1964-65, British Columbia, Port Alberni Flood, $250,000.

In addition to the foregoing, sums of $1.5 million in 1963-64 and $400,000 in 1964-65 were provided with respect to flood relief in the Mackenzie district of the Northwest Territories.

FEDERAL CONTRIBUTION TO MAINTENANCE OF MEMORIAL BUILDING, CHARLOTTETOWN, P.E.I.

Question No. 198—**Mr. Macquarrie:**

Is it the intention of the Government of Canada to contribute to the maintenance of the Fathers of Confederation Memorial Building in Charlottetown and, if so, what amount is to contributed annually?

[Mr. Macdonald.]

Hon. Maurice Lamontagne (Secretary of State): Yes; $100,000.

*FEDERAL IMPLEMENTATION OF PROVINCIAL AGREEMENTS WITH FOREIGN COUNTRIES

Question No. 269—**Mr. Fairweather:**

1. On what occasions since July 1, 1867 has the Government of Canada been requested by any of the provincial governments for an intergovernmental exchange to implement an entente, or an accord or an agreement entered into by a province and a foreign power respecting matters within provincial jurisdiction?

2. Briefly, what was the subject-matter in each case?

Mr. Stanley Haidasz (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the answer to the first part is as follows: Until approximately 40 years ago the occasion for a request of the nature specified in the question would not have arisen under the Canadian constitution. Any interest which a province might have had in participating in arrangements with other governmental entities was a matter falling within the sphere of responsibility of Her Majesty's Government in the United Kingdom. All arrangements concerning matters falling within provincial legislative jurisdiction and purporting to have effect beyond the boundaries of the province were either embodied in Empire treaties or were in the nature of internal arrangements between the various parts of the Empire. The constitutional position prevailing until then, coupled with the fact that in the meantime the provinces have only infrequently seen the need in practice for formal arrangements to be entered into with foreign countries on matters within their legislative jurisdiction, has meant that there have been few occasions in practice when the provinces have found it necessary to seek the assistance of the federal Government in this respect.

The answer to the second part is as follows. In 1958 the federal Government was asked by the Government of New Brunswick to facilitate the conclusion of an agreement by that province and the state of Maine for the construction of the Campobello-Lubec bridge. A similar request was received from the province of Ontario in 1959 in connection with an agreement to be entered into between that province and the state of Minnesota for the construction of a bridge over the Pigeon River. Details of the two occasions since

April 1963 on which the Government of Canada facilitated the arrangements between the province of Quebec and France have already been given to the House in answer to question No. 2,768 asked by the hon. Member for Edmonton West on February 23, 1965. The text of this answer can be found on page 11818 of *Hansard* for March 1, 1965. Since then the federal Government has been requested by the province of New Brunswick to facilitate the conclusion of an agreement between that province and the state of Maine for the construction of a bridge across the St. Croix River at Milltown.

LOANS TO STUDENTS

Question No. 280—**Mr. Caouette:**

1. Under the Canada Student Loans Act (a) how many loans have been granted to students in each province since the proclamation of the Act (b) what is the total amount of such loans (c) are all Quebec students excluded from the application of the Act (d) if so, for what reason (e) if not, under what conditions may they qualify?

2. What qualifications are required in order to obtain such a loan?

3. Does a university student coming from Quebec, whose residence has been established for more than 12 months in another province, become eligible for such loans?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): 1. Under the Canada Student Loans Plan, loans may be made by banks and designated credit unions only on the basis of certificates of eligibility issued by the provinces participating in the Plan. These certificates are issued only to students considered by one of these provinces to be residents for the purposes of the Canada Student Loans Plan. The provinces have recently established criteria for determining which participating province is the appropriate one to handle a student's application for a certificate of eligibility. These criteria are contained in the approved report of the Federal-Provincial committee on residence which appears in Appendix "A" of *Hansard* of June 11, 1965.

(a) and (b) As of April 1, 1965, the number of students assisted and the amounts of certificates of eligibility issued by the participating provinces, were as follows:

Province	Number of Students Assisted	Amount of Certificates Issued
Newfoundland	732	$ 456,512
Prince Edward Island	431	288,609
Nova Scotia	2,450	1,729,008
New Brunswick	2,008	1,347,188
Ontario	21,287	14,004,565
Manitoba	2,259	1,371,520
Saskatchewan	2,965	1,867,420
Alberta	4,481	2,083,488
British Columbia	4,650	3,100,031
Yukon	12	8,600
Northwest Territories	9	9,000
	41,284	$26,265,941

Data on the number and amount of loans made by the banks and designated credit unions on the basis of certificates of eligibility issued are not yet available.

(c) No. (e) A student from the Province of Quebec may apply for a certificate of eligibility in a participating province if he has become eligible to apply there according to the criteria established in the approved report of the Federal-Provincial committee on residence referred to above. If he is single and financially dependant on his parents, he will be eligible to apply for a certificate in a participating province if his parents move to that province, and he will be eligible as of the date of that move. If he is married or can establish to the satisfaction of a participating province that he is fully self supporting financially, he will become eligible to apply for a certificate in a participating province 12 months after having moved to that province.

2. A student must apply for and obtain a certificate of eligibility issued by the ap-

propriate authority of a participating province. To qualify, a student must (a) be a Canadian citizen or have landed immigrant status with 12 months residence in Canada, (b) be enrolled or plan to enrol as a full time student in a post-secondary course of study at an educational institution specified for the purposes of the Canada Student Loans Plan by a participating province, (c) have attained satisfactory scholastic standard, (d) actually need a loan to pursue his studies; and (e) meet the residence requirements in a participating province on the basis of the criteria contained in the approved report of the Federal-Provincial committee on residence referred to above.

3. A university student coming from Quebec will become eligible to apply for a loan in a participating province 12 months after he has moved to that province if he is married or has established to the satisfaction of the province to which he applies that he is financially fully self supporting.

PAROLE OFFICERS IN JUSTICE DEPARTMENT

Question No. 353—**Mr. Orlikow:**

1. How many parole officers are employed by the Department of Justice and what is their jurisdiction?
2. How many of these are trained social workers?
3. How many are university graduates in the social sciences?
4. Does the Department make provisions for bursaries for the training of more parole officers and, if so, how many bursaries and for how much?

Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice): 1. Forty five parole officers are employed by the Department of Justice. The jurisdiction of those employed in the field offices is geographically limited to specified areas and the duties include the direct interviewing of applicants for parole; the direct or indirect supervision of persons on parole and the maintenance of liaison with crown authorities.

Generally speaking, the jurisdiction of parole officers employed at headquarters is geographically limited to a specified area and their duties include the assembly of data necessary to the study of parole cases; the preparation of summaries, based on the data assembled, for consideration by the National Parole Board and the performance of incidental duties.

In addition to parole officers in the direct employment of the Department of Justice, parole supervision is also performed on behalf of the Federal Government by employees of qualified agencies in the corrections field.

[Mr. Pennell.]

2. Eighteen.
3. Twelve.
4. No.

CANADIAN CENTENNIAL COMMISSION

Question No. 427—**Mr. Howe (Wellington-Huron):**

1. How many of the original Members of the Centennial Commission are still with the Commission?
2. How many Members of the Centennial Commission have resigned within the past six months?
3. Of the amount of money allocated to this project, how much has been spent to date?

Hon. Maurice Lamontagne (Secretary of State): The Commission understands parts 1 and 2 to refer to members of the Board of Directors of the Centennial Commission. Therefore:

1. 8.
2. 2.
3. $6,509,043 to March 31, 1965.

PUBLIC WORKS EXPENDITURES, CHARLEVOIX COUNTY, QUE.

Question No. 430—**Mr. Bélanger:**

1. How much money did the Department of Public Works allocate for the County of Charlevoix from March, 1958, to June, 1962?
2. How much was actually spent?
3. How much money did the Department of Public Works allocate for the County of Charlevoix from June, 1962, to January, 1965?
4. How much was actually spent?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): It is not feasible to provide aggregate information on expenditure disbursements or revenue collections for constituencies, counties or other comparable units. Government estimates are not prepared on this basis nor are records of expenditures kept in this way.

Information concerning expenditures could be supplied about specific projects or programs which are identified in a question. These, of course, would in some cases relate to a particular constituency or locality.

HEALTH AND WELFARE EXPENDITURES, CHARLEVOIX COUNTY, QUE.

Question No. 431—**Mr. Bélanger:**

1. How much money did the Department of National Health and Welfare allocate for the County of Charlevoix from March, 1958, to June, 1962?
2. How much was actually spent?
3. How much money did the Department of National Health and Welfare allocate for the County of Charlevoix from June, 1962, to January, 1965?
4. How much was actually spent?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): It is not feasible to provide aggregate information on expenditure

disbursements or revenue collections for constituencies, counties or other comparable units. Government estimates are not prepared on this basis nor are records of expenditures kept in this way.

Information concerning expenditures could be supplied about specific projects or programs which are identified in a question. These, of course, would in some cases relate to a particular constituency or locality.

POST OFFICE DEPARTMENT EXPENDITURES, CHARLEVOIX COUNTY, QUE.

Question No. 432—**Mr. Bélanger:**

1. How much money did the Post Office Department allocate for the County of Charlevoix from March, 1958, to June, 1962?
2. How much was actually spent?
3. How much money did the Post Office Department allocate for the County of Charlevoix from June, 1962, to January, 1965?
4. How much was actually spent?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): It is not feasible to provide aggregate information on expenditure disbursements or revenue collections for constituencies, counties or other comparable units. Government estimates are not prepared on this basis nor are records of expenditures kept in this way.

Information concerning expenditures could be supplied about specific projects or programs which are identified in a question. These, of course, would in some cases relate to a particular constituency or locality.

TRANSPORT DEPARTMENT EXPENDITURES, CHARLEVOIX COUNTY, QUE.

Question No. 433—**Mr. Bélanger:**

1. What amount was allocated by the Department of Transport from March, 1958, to June, 1962, for the County of Charlevoix?
2. What amount was actually spent in that County?
3. What amount was allocated by the Department of Transport from June, 1962, to January, 1965, for the County of Charlevoix?
4. What amount was actually spent in that County?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): It is not feasible to provide aggregate information on expenditure disbursements or revenue collections for constituencies, counties or other comparable units. Government estimates are not prepared on this basis nor are records of expenditures kept in this way.

Information concerning expenditures could be supplied about specific projects or programs which are identified in a question. These, of course, would in some cases relate to a particular constituency or locality.

NATIONAL DEFENCE EXPENDITURES, CHARLEVOIX COUNTY, QUE.

Question No. 434— **Mr. Bélanger:**

1. What amount was allocated by the Department of National Defence from March, 1958, to June, 1962, for the County of Charlevoix?
2. What amount was actually spent in that County?
3. What amount was allocated by the Department of National Defence from June, 1962, to January, 1965, for the County of Charlevoix?
4. What amount was actually spent in that County?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): It is not feasible to provide aggregate information on expenditure disbursements or revenue collections for constituencies, counties or other comparable units. Government estimates are not prepared on this basis nor are records of expenditures kept in this way.

Information concerning expenditures could be supplied about specific projects or programs which are identified in a question. These, of course, would in some cases relate to a particular constituency or locality.

VETERANS AFFAIRS EXPENDITURES, CHARLEVOIX COUNTY, QUE.

Question No. 435—**Mr. Bélanger:**

1. What amount was allocated by the Department of Veterans Affairs from March, 1958, to June, 1962, for the County of Charlevoix?
2. What amount was actually spent in that County?
3. What amount was allocated by the Department of Veterans Affairs from June, 1962, to January, 1965, for the County of Charlevoix?
4. What amount was actually spent in that County?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): It is not feasible to provide aggregate information on expenditure constituencies, counties or other comparable units. Government estimates are not prepared on this basis nor are records of expenditures kept in this way.

Information concerning expenditures could be supplied about specific projects or programs which are identified in a question. These, of course, would in some cases relate to a particular constituency or locality.

AGRICULTURE DEPARTMENT EXPENDITURES, CHARLEVOIX COUNTY, QUE.

Question No. 436—**Mr. Bélanger:**

1. What amount of money was allocated by the Department of Agriculture for the County of Charlevoix from March, 1958, to June, 1962?

2. What amount of money was actually spent there?

3. What amount of money was allocated by the Department of Agriculture for the County of Charlevoix from June, 1962, to January, 1965?

4. What amount of money was actually spent there?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): It is not feasible to provide aggregate information on expenditure disbursements or revenue collections for constituencies, counties or other comparable units. Government estimates are not prepared on this basis nor are records of expenditures kept in this way.

Information concerning expenditures could be supplied about specific projects or programs which are identified in a question. These, of course, would in some cases relate to a particular constituency or locality.

LABOUR DEPARTMENT EXPENDITURES, CHARLEVOIX COUNTY, QUE.

Question No. 437—**Mr. Bélanger:**

1. What amount of money was allocated by the Department of Labour for the County of Charlevoix from March, 1958, to June, 1962?

2. What amount of money was actually spent there?

3. What amount of money was allocated by the Department of Labour for the County of Charlevoix from June, 1962, to January, 1965?

4. What amount of money was actually spent there?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): It is not feasible to provide aggregate information on expenditure disbursements or revenue collections for constituencies, counties or other comparable units. Government estimates are not prepared on this basis nor are records of expenditures kept in this way.

Information concerning expenditures could be supplied about specific projects or programs which are identified in a question. These, of course, would in some cases relate to a particular constituency or locality.

FISHERIES DEPARTMENT EXPENDITURES, CHARLEVOIX COUNTY, QUE.

Question No. 438—**Mr. Bélanger:**

1. What amount of money was allocated by the Department of Fisheries for the County of Charlevoix from March, 1958 to June, 1962?

2. What amount of money was actually spent there?

3. What amount of money was allocated by the Department of Fisheries for the County of Charlevoix from June, 1962, to January, 1965?

4. What amount of money was actually spent there?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): It is not feasible to provide aggregate information on expenditure disbursements or revenue collections for constituencies, counties or other comparable units. Government estimates are not prepared on this basis nor are records of expenditures kept in this way.

Information concerning expenditures could be supplied about specific projects or programs which are identified in a question. These, of course, would in some cases relate to a particular constituency or locality.

FORESTRY DEPARTMENT EXPENDITURES, CHARLEVOIX COUNTY, QUE.

Question No. 439—**Mr. Bélanger:**

1. What amount was allocated by the Department of Forestry from March, 1958, to June, 1962, for the County of Charlevoix?

2. What amount was actually spent in that County?

3. What amount was allocated by the Department of Forestry from June, 1962, to January, 1965, in the County of Charlevoix, including the ARDA program?

4. What amount was actually spent in that County?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): It is not feasible to provide aggregate information on expenditure disbursements or revenue collections for constituencies, counties or other comparable units. Government estimates are not prepared on this basis nor are records of expenditures kept in this way.

Information concerning expenditures could be supplied about specific projects or programs which are identified in a question. These, of course, would in some cases relate to a particular constituency or locality.

REQUEST BY SUPERANNUATES FOR INCREASED PENSIONS

Question No. 656—**Mr. Southam:**

1. Did the Minister of Finance recently receive either a written or personal representation from officials of the National Association of Federal Superannuates requesting an upward adjustment in pensions to meet the ever increasing cost of living and, if so, has a meeting between his departmental officials and those of the Federal Superannuates been arranged to discuss this important matter?

2. Will Federal Superannuates receive the same escalation benefits as those planned for active civil servants when the Canada Pension Plan goes into effect January 1, 1966?

3. What was the balance of the Public Service Superannuation Fund as of December 31, 1964?

4. By what amount during the last fiscal year did the interest accumulations on the Public Service Superannuation Fund exceed the payments made to Superannuates in the same period?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): 1. The Minister of Finance has received such representations from time to time. He and his officers participated in meetings with representatives of that association during the past year.

2. The escalation of benefits under the Canada Pension Plan will be applied in accordance with that plan to all who contribute under it in respect of their benefits under it and not in respect of any benefits payable under the Public Service Superannuation Act.

3. Approximately $2,136,046,470.

4. Approximately $26,129,200.

PRICES OF C.M.H.C. HOMES

Question No. 702—**Mr. Stenson:**

1. What was the average price of homes built in Canada under Central Mortgage and Housing for the years 1958, 1959, 1960, 1961, 1962, 1963 and 1964?

2. What was the average land costs for these years?

3. What are the land costs for Central Mortgage and Housing homes in the cities of Hamilton, Kitchener, Metropolitan Toronto, Oshawa, Ottawa, Kingston, London and Peterborough in 1962-63?

4. What is the cost per lot, including land costs, all utilities and curbs, gutters, paved streets and storm drains in the following cities: Hamilton, Kitchener, Metropolitan Toronto, Oshawa, Ottawa, Kingston, London and Peterborough?

5. Do any municipalities ask for assistance toward trunk services for a Central Mortgage project and, if so, which municipalities?

Hon. J. R. Nicholson (Minister of Citizenship and Immigration): 1. 1958, $14,479; 1959, $14,729; 1960, $14,639; 1961, $14,888; 1962, $15,233; 1963, $15,682; 1964, $16,478.

Note: Data relate to estimated average costs of single detached dwellings financed under the National Housing Act. The mortgage insurance fee is excluded.

2. No series is available on the costs of undeveloped land. Data are available on the costs (estimated by loan applicants) of lots on which NHA financed houses are constructed. These costs vary with variations in the services provided, and with the extent to which such services are financed by municipal taxes. Of the two series below, (a) shows estimated costs for all lots, whatever the degree of servicing or method of payment. Series (b) shows estimated costs only for lots serviced with piped water and sanitary sewer, and for which the cost of all services is included in the price of the lot.

Questions

	(a)	(b)
1958	$ 2,471	$ *
1959	2,533	*
1960	2,473	3,087
1961	2,602	3,180
1962	2,783	3,340
1963	2,973	3,503
1964	3,082	3,553

* not available

3 and 4. As indicated in 2 above, data on the costs of undeveloped land are not available.

The two sets of data, (a) and (b) referred to in 2 above are provided below for the centres indicated. Series (a) however, relates to the areas serviced by CMHC field offices in the centres indicated. In most cases, these areas are larger than the metropolitan and major urban areas specified. Series (b) relates only to the metropolitan or major urban areas specified.

	(a)		(b)	
	1962	1963	1962	1963
Hamilton	$ 3,818	$ 4,054	$ 4,396	$ 4,458
Kitchener	2,179	2,184	2,965	3,025
Toronto	5,416	5,480	5,670	5,624
Oshawa	3,189	*	3,318	3,405
Ottawa	3,045	3,197	4,304	4,657
Kingston	1,945	1,859	2,962	2,848
London	2,595	2,805	3,245	3,349
Peterborough	1,600	1,536	1,760	1,542

* not available

5. Originally it was the requirement that trunk services to the edge of a Federal-Provincial land assembly or public housing project area were to be provided by a municipality at its own expense. Early in 1964, Central Mortgage and Housing Corporation agreed that the cost of extending trunk services to a Federal-Provincial project could be allowed as a project development charge, provided the financial arrangements for these trunk services and the installation of services within the project area were the same as those applicable to privately-developed subdivisions. Since that time, the Townships of Etobicoke and Sandwich East have requested financial assistance to instal trunk services and the Federal-Provincial Partnership has agreed in each case to participate.

CAUSEWAY CONSTRUCTION, PICTOU HARBOUR, N.S.

Question No. 706—**Mr. Douglas:**

1. Has the government received any representations asking them to participate in the construction

of a causeway-dam across Pictou harbour, Nova Scotia, at the mouth of the Middle and West Rivers?

2. If so (a) who made these representations and what were the dates of such representations (b) what answer did the government give to these representations?

Hon. Lucien Cardin (Minister of Public Works): 1 and 2. In a letter dated February 2, 1965, Hon. Stephen Pyke requested approval to route the trans-Canada highway across Pictou Harbour at the mouth of the Middle and West Rivers. The route was approved as requested on the basis that under the Trans-Canada Highway Agreement the federal government would participate only in the actual or equivalent cost of the most economical crossing for a two lane highway. The type of crossing to be used has not yet been established.

DISCUSSIONS RESPECTING ALASKA HIGHWAY AND ROUTE THROUGH MAINE

Question No. 707—**Mr. MacLean (Queens):**

Are any discussions going on at the present time between the Government of Canada and the Government of the United States, initiated either by the Government of Canada or on behalf of any of the provinces, with regard to the improvement of the Alaska Highway through Canada and the possible construction of a direct route from the Maritime Provinces through the State of Maine to the Montreal area?

Hon. Paul Martin (Secretary of State for External Affairs): No.

CORRIDOR ROAD THROUGH MAINE

Question No. 708—**Mr. MacLean (Queens):**

1. Are any discussions in progress between any of the provincial governments and the Government of Canada, relating to the construction of a so-called corridor road running from the Montreal area through Maine to the McAdam area of New Brunswick?

2. Has the government received any proposals regarding such a road from the International Atlantic Corridor Road Committee?

Hon. Paul Martin (Secretary of State for External Affairs): 1. No.

2. No.

*LEGALIZATION OF LOTTERIES

Question No. 713—**Mr. Pigeon:**

1. Is it the intention of the government to amend the penal code in order to legalize lotteries in Canada?

2. If so, when will such action be taken?

3. If not, for what reasons will the code not be amended?

[*Translation*]

Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice): The most recent expression of Government intention on this subject was contained in the press release following the federal-provincial conference held in November, 1963, as follows:

"Some provincial governments explained the difficulties they have in enforcing the provisions of the Criminal Code in respect of lotteries and gambling. Suggestions were made that the institution of provincial lotteries would alleviate the situation. Other provinces, however, opposed this suggestion. The Federal Government indicated that it had no interest in instituting a Federal lottery but undertook to consider the amendment of the Criminal Code in the light of the views put forward."

The government has not come to any decision as to what amendments, if any, should be proposed for the lottery sections of the Criminal Code.

[*English*]

LAKEHEAD—BRIDGE OVER KAMINISTIQUIA RIVER

Question No. 723—**Mr. Fisher:**

1. Does the Department of Transport have under consideration proposals made by the Northwestern Ontario Development Association that a new bridge structure be erected over the Kaministiquia River at James Street?

2. Has the Department exchanged any correspondence and expressed any views or received any views from the Lakehead Harbour Commission on the need for such a structure and the relative responsibilities of the Department and this agency in such a project?

3. What statutory authority or regulations in the hands of the Minister relate to the construction of a bridge over navigable waters?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): 1. Several weeks ago Mr. Hubert Badanai, M.P., for Fort William accompanied by Senator Paterson gave the Minister of Transport a copy of a brief submitted by the Northwestern Ontario Development Association to the government of Ontario, but this brief does not contain any specific proposal of recommendation from the association regarding a new bridge structure though strong representations in favour of a new bridge were made by Mr. Badanai and Senator Paterson. The Department is, however, considering, in consultation with the Department of Public Works and the Canadian National Railways, the nature and scope of federal responsibility for a new crossing of the Kaministiquia River.

2. The Department has deferred communicating with the Lakehead Harbour Commission on this subject until the completion of the examination referred to in answer to No. 1.

3. In respect of railway bridges, the Railway Act and in respect of bridges in public harbours or over canals, the Department of Transport Act, Harbours Commissions Act,

1964, the National Harbours Board Act and other Harbour Commissioners Acts.

LAKEHEAD—C.N.R. PARTICIPATION IN BRIDGE OVER KAMINISTIQUIA RIVER

Question No. 725—**Mr. Fisher:**

Has the Canadian National Railways given any consideration to any part it may play in determining whether a new bridge structure is advisable over the Kaministiquia River at or near James Street?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): The Management of Canadian National Railways advise as follows: Yes, a representative of the Railways is a member of the committee formed to study the current problem.

MEDICAL INVESTIGATION OF WAR PRISONERS OF JAPANESE

Question No. 742—**Mr. MacRae:**

1. In connection with the medical investigation now being conducted concerning those veterans who were prisoners of the Japanese in World War II, what are the specific problems which require further study?
2. Which problems are being studied by the Department of National Defence and why is the Department of National Defence being used for this purpose?
3. When is this investigation expected to be completed?

Hon. Roger Teillet (Minister of Veterans Affairs): 1. The problems which require further study have to do with the validation of certain observations and evaluation of the significance of others.

2. The Department of National Defence is involved to the extent that professional assistance is being given by specially qualified staff of that Department, as stated in the House on May 7, 1965.

3. Some parts of the investigation have been completed and appropriate action taken. Attention is drawn to the statement of May 7, 1965, regarding dental treatment. The study of other matters will be completed in phases, probably during the current year, but it is possible that some of the problems associated with the increasing age of the veterans will require continued study over a period of years.

BANK CURRENCY AND ASSETS

Question No. 744—**Mr. Caouette:**

1. At the end of the last fiscal year, what was the total currency in the banks and held outside of the banks?
2. What was the total amount of the money supply in Canada at the end of the last fiscal year?
3. At the end of the last fiscal year, what were the total assets of the eight chartered banks?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): 1. At March 31, 1965 the chartered banks held $36 million of coin in Canada and $351 million of Bank of Canada notes. At the same date as shown by the Bank of Canada Statistical Summary the amount of coin outside banks was $232 million and the amount of Bank of Canada notes outside banks was $1,938 million.

2. A commonly used calculation of the money supply is total Canadian deposits of the chartered banks less items in transit plus notes and coin outside banks. This figure was $18,440 million at March 31, 1965.

3. The total assets of the eight chartered banks at March 31, 1965 were:

	million
Bank of Montreal	$ 4,787
The Bank of Nova Scotia	3,149
The Toronto-Dominion Bank	2,650
The Provincial Bank of Canada	522
Canadian Imperial Bank of Commerce	5,750
The Royal Bank of Canada	5,911
Banque Canadienne Nationale	975
The Mercantile Bank of Canada	161
Total	$23,905

FISH CONSERVATION, NEWFOUNDLAND-LABRADOR

Question No. 748—**Mr. Tucker:**

Has the Department of Fisheries given consideration to (a) the installation of fish hatcheries in Newfoundland-Labrador and the carrying out of a restocking program (b) changing regulations to more adequately suit all coasts and waters in Newfoundland-Labrador (c) rescinding fishing leases to individuals and private groups in inland waters in Newfoundland-Labrador?

Hon. H. J. Robichaud (Minister of Fisheries): (a) Yes, and it has concluded that there would be no justification for such action. Other fish culture techniques are applied and are proving beneficial in the conservation program. (b) Regulations in Newfoundland-Labrador are constantly under review and are frequently amended to meet requirements of the fisheries in coastal waters. (c) Any matters pertaining to fishing leases to individuals and private groups in inland waters are entirely under the jurisdiction of the government of the province concerned.

FEDERAL PAYMENTS TO ATLANTIC PROVINCES

Question No. 751—**Mr. Dubé:**

What were the amounts paid by Canada under the fiscal arrangements plan to each of the four Atlantic Provinces in the fiscal years ending March 31, 1960, 1961, 1962, 1963, 1964 and 1965?

Questions

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): The payments under the Federal-Provincial Tax-Sharing Arrangements Act, 1956, and the Federal-Provincial Fiscal Arrangements Act, 1961, to each of the four Atlantic Provinces for the fiscal years ending in 1960, 1961, 1962, 1963, 1964 and 1965 are as follows:

Fiscal Year Ending in	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick
1960	$27,516,519	$6,889,963	$39,444,809	$33,798,238
1961	27,959,535	7,302,159	39,742,439	34,249,122
1962	27,578,048	7,280,665	39,816,660	33,733,171
1963	32,418,624	6,726,837	33,794,565	27,338,284
1964	33,760,800	7,392,600	31,842,120	27,915,730
1965 (prelim.)	37,349,230	9,122,750	40,270,880	35,865,060

CHANGE OF NAME OF HAMILTON RIVER, NEWFOUNDLAND

Question No. 760—**Mr. Simpson:**

1. Did the government change the name of the Hamilton River in Newfoundland, to Churchill?
2. If not, was the government consulted before the change was made and did it approve the change of names?

Hon. W. M. Benidickson (Minister of Mines and Technical Surveys): 1. No. The name of the Hamilton River was changed by Act 45-1965 of the Newfoundland legislature.

2. No. The provinces are recognized to have jurisdiction over geographical names within their boundaries. On the passage of the provincial Act, the name change was approved by and recorded in the files of the Canadian Permanent Committee on Geographical Names.

EMPLOYMENT DIFFICULTIES OF INDIANS AND HALF BREEDS

Question No. 772—**Mr. Fisher:**

1. Does the N.E.S. or any other agency or branch of the Department of Labour have an estimate of the unemployment difficulties of treaty Indians, non-treaty Indians, Métis or half-breeds, in Canada, and particularly in northern Ontario?
2. If so, what is the estimate, in summary?
3. Does N.E.S. encounter any particular problem in finding consistently gainful employment in northern Ontario for treaty Indians, non-treaty Indians, Métis or half-breeds?

Hon. A. J. MacEachen (Minister of Labour): 1 and 2. The National Employment Service of the Department of Labour co-operates with the Indian Affairs Branch of the Department of Citizenship and Immigration in the placement of Indian workers. It is estimated that last year, under this arrangement, some 2,500 Indian workers were placed in employment across Canada. N.E.S. does not maintain separate records of Indian applicants for employment so that a precise breakdown of Indian placements by geographical location is not known.

3. Problems are encountered by N.E.S. in finding gainful employment for Indians in this area, problems similar to those encountered in many areas. In general terms these are related to lack of skills, low education, language problems, and remoteness from job opportunities.

EXTENSION OF C.B.C. TELEVISION FACILITIES

Question No. 781—**Mr. Simpson:**

Has the Canadian Broadcasting Corporation announced or developed a definite plan to provide for an early extension of television network facilities to those populated areas not now served by the C.B.C. and, if so, does the government intend to recommend to Parliament that a special grant be provided for such purpose?

Hon. Maurice Lamontagne (Secretary of State): I am informed that the Corporation maintains a television planning list consisting of locations in Canada which do not receive C.B.C. service. I am informed also that the question of television coverage extension by Corporation stations has been discussed with the advisory committee on broadcasting. The current budget of the Canadian Broadcasting Corporation includes capital sums for the extension of C.B.C. facilities in various regions. The question of a recommendation to Parliament of a special grant will be considered by the Government when it has received and studied the report of the committee on broadcasting.

CENTENNIAL GRANT APPLICATION, SAUGEEN TOWNSHIP, ONT.

Question No. 784—**Mr. Loney:**

Has an application been received for a Centennial Project Grant from the Municipality of Saugeen Township, Bruce County, Ontario?

Hon. Maurice Lamontagne (Secretary of State): The Centennial Commission does not receive applications made by towns and municipalities until they are approved by the provincial government concerned and therefore has no way of knowing how many applications were submitted by towns and municipalities in any constituency. No application relating to a project or projects has been received from the Ontario Centennial Advisory Committee referring to the municipality of Saugeen Township, Bruce County, Ontario, as at June 17, 1965.

SURVEYS ON LAKE OF TWO MOUNTAINS INDIAN RESERVE

Question No. 786—**Mr. MacInnis:**

1. Have engineers and surveyors under federal authority been conducting surveys on the Lake of Two Mountains Indian Reserve since January 1, 1965?

2. If so, for what purpose and under what authority are these surveys being conducted?

Hon. W. M. Benidickson (Minister of Mines and Technical Surveys): 1. Yes, assuming the reference to Lake of Two Mountains Indian Reserve means Oka Lands No. 16.

2. Legal survey of Indian land holdings under the authority of the Canada Lands Surveys Act, at the request of the Indian Affairs Branch, Department of Citizenship and Immigration.

SALE OF ROAD, ST. SYLVESTRE DE LOTBINIÈRE, QUE.

Question No. 798—**Mr. Boutin:**

1. Did the Department of National Defence put up for sale the road joining the Village of St. Sylvestre de Lotbinière to the radar installations nearby?

2. If so (a) on what date was it sold (b) what was the amount of each tender (c) what are the names of the tenderers (d) who purchased it and what was the purchase price?

[*Translation*]

Hon. C. M. Drury (Minister of Industry): In so far as Crown Assets Disposal Corporation is concerned, the answer is as follows:
1. Those sections or strips of land that were acquired by the Crown in the right of Canada as improvements in, or substitutes for the old road known in part as the Ste-Catherine Range Road, and in part as old Ste. Marie Road were part of the radar site at St. Sylvestre offered for sale by Crown Assets Disposal Corporation.

Offers on these sections were not invited separately from the entire property.

2. The site has not yet been sold.

[*English*]

EGG STATISTICS

Question No. 800—**Mr. Boutin:**

1. What was the production of eggs for 1963, 1964 and 1965, to date (a) in Canada (b) in each province?

2. Does Canada import or export eggs and, if so (a) what is the value of these transactions (b) with what countries is Canada trading?

[*Translation*]

Hon. Mitchell Sharp (Minister of Trade and Commerce): 1. (a) and (b) Production of eggs in Canada by Province[1] for 1963, 1964 and 1965 to date:

	1963	1964	1965 (January to April)
		—'000 doz. —	
Canada	417,920	437,906	154,780
Prince Edward Island	4,158	4,079	1,505
Nova Scotia	19,305	18,278	6,047
New Brunswick	9,294	9,713	3,265
Quebec	66,182	71,520	28,443
Ontario	170,032	177,023	60,065
Manitoba	37,560	42,878	16,604
Saskatchewan	29,142	28,089	9,637
Alberta	36,938	38,574	13,078
British Columbia	45,309	47,752	16,136

[1] Estimates for Newfoundland are not available.

2. Imports and exports of eggs during the calendar years 1963, 1964, and available statistics for 1965 are shown in the table on pages 3074-75.

IMPORTS AND EXPORTS OF EGGS DURING THE CALENDAR YEARS 1963, 1964, AND AVAILABLE STATISTICS FOR 1965.

IMPORTS

Import Class Number	Description	Country	1963 Quantity	1963 Value	1964 Class Number	1964 Quantity	1964 Value	January, 1965. Quantity	January, 1965. Value
			Doz.	$'000		Doz.	$'000	Doz.	$'000
2325	Eggs in the shell	United Kingdom	nil	nil	53-19	440,250	88	nil	nil
		Denmark	100	1		nil	nil	"	"
		Netherlands	60	--		"	"	"	"
		Hong Kong	49,008	34		56,072	35	5,225	3
		Taiwan	970	1		nil	nil	nil	nil
		United States	8,056,600	5,078		1,403,861	2,548	148,004	270
		Totals	8,106,738	5,114		1,900,183	2,671	153,229	273
			lbs.			lbs.		lbs.	
2327	Eggs, whole, yolk or albumen dried	United Kingdom	551	1	53-59	577	1	nil	nil
		Netherlands	330	--		nil	nil	"	"
		China Communist	20,943	15		1,543	1	"	"
		United States	185,843	220		251,775	308	10,190	12
		Totals	207,667	236		253,895	310	10,190	12
			lbs.			lbs.		lbs.	
2326	Eggs, whole, yolk or albumen frozen or otherwise prepared n.o.p.	Hong Kong	450	--	53-69	943	--	nil	nil
		Taiwan	2,640	1		nil	nil	"	"
		Australia	19,992	7		"	"	"	"
		United States	16,710	9		6,503	5	"	"
		Totals	39,792	17		7,446	5	nil	nil

-- Amount less than $500.00.

IMPORTS AND EXPORTS OF EGGS DURING THE CALENDAR YEARS 1963, 1964, AND AVAILABLE STATISTICS FOR 1965

EXPORTS

Export Class No.	Description	Country	1963 Quantity	1963 Value	1964 Quantity	1964 Value	January–April, 1965 Quantity	January–April, 1965 Value
			Doz.	$'000	Doz.	$'000	Doz.	$'000
53-09	Eggs, hatching	United Kingdom	350	2	nil	nil	510	6
		Germany West	11,790	9	6,652	32	21,897	63
		Italy	nil	nil	1,261	3	9,888	28
		Spain	"	"	nil	nil	840	2
		Switzerland	1,020	3	1,320	3	480	1
		Argentina	765	5	nil	nil	nil	nil
		Bermuda	450	--	"	"	"	"
		Barbados	16,463	13	38,540	32	14,126	13
		Trinidad and Tobago	750	1	nil	nil	nil	nil
		Cuba	19,163	125	248,734	255	"	"
		United States	254,855	533	318,874	491	130,583	185
		Totals	305,606	691	615,381	816	178,324	298
			Doz.		Doz.		Doz.	
53-19	Eggs in the shell n.e.s.	United Kingdom	15,000	7	nil	nil	nil	nil
		Switzerland	51,750	20	"	"	"	"
		British Guiana	300	--	900	--	"	"
		Bahamas	nil	nil	1,050	--	"	"
		Bermuda	76,652	37	40,650	20	7,620	3
		Barbados	10,613	6	12,540	6	5,250	2
		Leeward and Windward Isl.	nil	nil	1,200	1	nil	nil
		Trinidad and Tobago	93,300	47	181,730	80	23,850	9
		Netherlands Antilles	2,400	1	nil	nil	nil	nil
		Puerto Rico	nil	nil	367,500	118	93,300	25
		St. Pierre and Miquelon	2,310	1	6,720	3	1,230	--
		United States	738,073	263	1,001,779	366	5,377	2
		Totals	990,398	382	1,614,069	594	136,627	41
			Lbs.		Lbs.		Lbs.	
53-59	Eggs, whole, yolk or albumen, dried	United Kingdom	7,760	12	23,115	34	nil	nil
		Sweden	1,000	1	nil	nil	"	"
		Republic of South Africa	1,400	2	"	"	"	"
		British Guiana	700	1	1,500	2	"	"
		Trinidad and Tobago	600	1	nil	nil	"	"
		Cuba	2,685	5	"	"	"	"
		St. Pierre and Miquelon	100	--	300	1	100	--
		United States	725	--	nil	nil	nil	nil
		Totals	14,970	22	24,915	37	100	--
			Lbs.		Lbs.		Lbs.	
53-69	Eggs, whole, yolk or albumen, frozen or otherwise prepared n.e.s.	Jamaica	nil	nil	8,416	4	2,014	1
		United States	173,546	42	79,070	6	74,100	4
		Totals	173,546	42	87,486	10	76,114	5

-- Amount less than $500.00

Questions

[*English*]

FARM CREDIT LOANS, DORCHESTER COUNTY, QUE.

Question No. 801—**Mr. Boutin:**

1. Of the loans granted by the Farm Credit Corporation, how many are presently being repaid in Dorchester County?

2. What is the present amount of indebtedness to the Corporation by the farmers of Dorchester County?

Hon. Harry W. Hays (Minister of Agriculture): The Farm Credit Corporation advises that statistics on the number and amount of loans outstanding are not maintained on a county basis. However, for the Province of Quebec, the answer is as follows:

1. 3684.

2. $37,432,657.

MAPLE PRODUCTS—PRODUCTION AND EXPORTS

Question No. 802—**Mr. Boutin:**

1. What was the production of maple products in Canada for 1963, 1964 and 1965, to date?

2. Does Canada export maple products and, if so (a) to what countries (b) what is the value of such exports for the same years?

[*Translation*]

Hon. Mitchell Sharp (Minister of Trade and Commerce): 1. Production of maple products in Canada for 1963, 1964 and 1965, to dates:

	1963		1964	
	Maple Syrup Production	Maple Sugar Production	Maple Syrup Production	Maple Sugar Production
	gal.	lb.	gal.	lb.
Nova Scotia	3,600	10,900	1,400	1,500
New Brunswick	7,800	32,000	4,600	11,150
Quebec	2,488,000	669,000	1,561,000	457,000
Ontario	219,000	7,800	155,000	7,960
Canada	2,718,400	719,700	1,722,000	477,610

Note: Information for 1965 is not yet available.

2. Exports of maple products during the calendar years 1963, 1964, and January to April 1965, are shown in the table on page 3077.

EXPORTS OF MAPLE PRODUCTS DURING THE CALENDAR YEARS 1963, 1964, AND JANUARY TO APRIL, 1965

Export Class Number	Description	Country	1963		1964		January-April, 1965	
			Quantity	Value	Quantity	Value	Quantity	Value
			Cwt.	$'000	Cwt.	$'000	Cwt.	$'000
101-05	Maple Sugar	United Kingdom	1	--	nil	nil	nil	nil
		Denmark	617	33	1,671	93	"	"
		France	nil	nil	453	24	"	"
		Sweden	124	7	1,068	59	"	"
		Switzerland	4	--	nil	nil	"	"
		Republic of South Africa	11	--	"	"	"	"
		United States	51,296	2,311	46,797	2,202	24,597	1,143
		Totals	52,053	2,351	49,989	2,378	24,597	1,143
			Cwt.N.		Cwt.N.		Cwt.N.	
101-09	Maple Syrup	United Kingdom	499	25	264	15	141	8
		Ireland	nil	nil	nil	nil	11	2
		Belgium and Luxembourg	12	1	35	2	6	--
		France	60	2	157	7	180	5
		Germany West	4	--	17	1	56	3
		Republic of South Africa	nil	nil	5	--	nil	nil
		Australia	46	2	19	1	"	"
		Bahamas	6	--	nil	nil	"	"
		Bermuda	3	--	3	--	"	"
		Barbados	nil	nil	3	--	"	"
		Jamaica	34	1	43	2	"	"
		Leeward and Windward Islands	2		2	--	"	"
		Trinidad and Tobago	nil	nil	5	--	"	"
		United States	113,300	3,587	79,474	2,632	21,505	767
		Totals	113,966	3,618	80,027	2,660	21,899	785

-- Amount less than $500.00.

Questions

[*English*]

COST OF ADVERTISING NEW LABOUR CODE

Question No. 805—**Mr. Hales:**

1. What was the total cost of the announcement of the new Federal Labour Code appearing in all newspapers, periodicals and magazines?
2. What was the total cost of all TV and radio announcements with regard to the above?

Hon. A. J. MacEachen (Minister of Labour):
1. $142,769.
2. $28,968.

CENTENNIAL GRANT APPLICATION, SOUTHAMPTON, ONT.

Question No. 809—**Mr. Loney:**

Has an application been received for a Centennial Project Grant from the Municipality of Southampton, Bruce County, Ontario?

Hon. Maurice Lamontagne (Secretary of State): The Centennial Commission does not receive applications made by towns and municipalities until they are approved by the provincial government concerned and therefore has no way of knowing how many applications were submitted by towns and municipalities in any constituency. No application relating to a project or projects has been received from the Ontario Centennial Advisory Committee referring to the municipality of Southampton, Bruce County, as at June 18, 1965.

USE OF RAILWAYS FOR MAIL TRANSPORT

Question No. 811—**Mr. Marcoux:**

Has the Post Office Department considered reverting to the use of railways for the inter-city transportation of mail as a means of reducing the number of thefts of mail bags from mail trucks?

[*Translation*]

Hon. René Tremblay (Postmaster General): The Post Office Department utilizes railways for the inter-city transportation of mail where trains with schedules suitable to our requirements exist.

[*English*]

INDUSTRIAL DEVELOPMENT BANK OFFICE, QUEBEC CITY

Question No. 812—**Mr. Marcoux:**

Is there an Industrial Development Bank office in the City of Quebec and, if so (a) since what date (b) how many employees are there in the office (c) how many loans are made each year (d) what is the total amount of such loans (e) what is the proportion of such loans to the bank's total business (f) what is the annual cost of operation of the office, and (g) what area is served by the office?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): (a) Since June, 1959.

[Mr. Sharp.]

(b) Twenty. (c), (d) and (e) The information requested is not available. Loan approvals are classified by provinces on pages 14 and 15 of the last annual report of Industrial Development Bank. (f) Operating expenses of the Bank for fiscal year 1964 are given on page 10 of the last annual report but are not available by offices. (g) Counties of Lac St-Jean-Ouest, Lac St-Jean-Est, Chicoutimi, Charlevoix-Est, Charlevoix-Ouest, Montmorency, Quebec, and Portneuf; also counties of Lotbinière, Mégantic, Frontenac, and all counties eastward up to and including Kamouraska; the Magdalen Islands.

*FINANCE DEPARTMENT EMPLOYEES RECEIVING OVER $6,000 ANNUALLY

Question No. 823—**Mr. Pigeon:**

1. How many French speaking Canadians are there in the Department of Finance, whose salaries are $6,000 a year or more?
2. How many Civil Servants are there in all in this Department, whose salaries are $6,000 a year or more?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): Mr. Speaker, for the Department of Finance, including the office of the Comptroller of the Treasury and the Royal Canadian Mint, the answer is as follows: To part 1, 236; to part 2, 951.

FEDERAL-ONTARIO DISCUSSIONS RESPECTING AUTOMOTIVE AGREEMENT

Question No. 824—**Mr. Stenson:**

1. On what date were discussions between the Department of Industry and senior officials in the Ontario Government concerning the Canada-U.S. Automotive Agreement held?
2. What were the names of the participating officials?
3. With what provincial departments were the provincial participants connected?

Hon. C. M. Drury (Minister of Industry): 1 to 3. On December 3, 1964, the Deputy and Assistant Deputy Ministers of the Department of Industry discussed the proposed Canada-United States automotive agreement with the Deputy Minister of the Ontario Department of Economics and Development and the Director of the Industrial Development Branch of that Department. Also, on February 4, 1965, the Assistant Deputy Minister of Industry met with the Minister of the Ontario Department of Economics and Development and with officials of various Ontario Government Departments to discuss the plan. There have subsequently been a number of other meetings between officials of federal departments and representatives of the Government of Ontario.

ENAMEL & HEATING PRODUCTS LTD.—LAY-OFFS FOLLOWING CANADAIR STRIKE

Question No. 825—**Mr. Coates:**

Does Enamel & Heating Products Ltd. of Amherst, N.S., hold subcontracts from Canadair Ltd., Montreal, on any government projects and, if so (a) has the Department of Industry been informed of any lay-offs by this firm as a result of the strike at Canadair (b) has the Department taken steps to assist Enamel & Heating Products in the re-employment of such employees?

Hon. C. M. Drury (Minister of Industry): Yes. (a) No (neither has Department of Defence Production). (b) N/A.

BREAKWATER REPAIR, BAY ST. LAWRENCE, N.S.

Question No. 835—**Mr. Muir (Cape Breton North and Victoria):**

As a result of the investigation by the Department of Public Works, is that Department going to place corner sheathing on the west breakwater at Bay St. Lawrence, Victoria County, N.S. and, if not, for what reason?

Hon. Lucien Cardin (Minister of Public Works): Yes.

RECORD OF PERFORMANCE STANDARDS

Question No. 846—**Mr. Nesbitt:**

1. Is the Connaught Laboratories establishing units to provide a very large amount of breeding stock for the hog industry in Ontario?
2. Are they prepared to accept the present standards of the federal ROP tests and, if not, is the government planning any change in the present ROP standards?

Hon. Harry W. Hays (Minister of Agriculture): 1. The Department of Agriculture is not aware of the magnitude of Connaught Laboratories activities in the distribution of swine breeding stock.

2. The Department of Agriculture has no information to the effect that the Connaught Laboratories are not prepared to accept present ROP standards. The Department is not contemplating any basic changes in principle in ROP testing, however, some changes in procedures are expected to be introduced in the relatively near future.

EMPLOYEES IN PUBLIC SERVICE

Question No. 871—**Mr. Flemming (Victoria-Carleton):**

1. What was the number of persons employed in the public service of Canada, under Civil Service, on March 31, 1963 and March 31, 1965?
2. What was the total aggregate annual salaries paid to persons employed in the public service of Canada, under Civil Service, on March 31, 1963 and March 31, 1965?

Orders for Returns

Hon. Mitchell Sharp (Minister of Trade and Commerce): 1. The number of persons employed in the public service of Canada, under the Civil Service Act: March 31, 1963, 144,500; March 31, 1965, 148,400.

2. Total salaries paid to persons employed in the public service of Canada, under the Civil Service Act for the fiscal years ending March 31, 1963, $643,315,000; March 31, 1965, $774,133,000.

QUESTIONS PASSED AS ORDERS FOR RETURNS

SUBSIDIARIES OF CROWN CORPORATIONS

Question No. 211—**Mr. Caouette:**

1. What are the subsidiaries of (a) Canadian National Railways (b) Polymer Corporation Limited (c) Eldorado Mining and Refining Limited?
2. Who is responsible for the appointment of the administrators of such subsidiaries?
3. What is the share capital of these subsidiaries?
4. What is the function of these subsidiaries?
5. Do these subsidiaries pay taxes?
6. Who approves the operational and capital budgets of these subsidiaries?
7. Does a Crown Corporation require ministerial or governmental authority to possess subsidiaries?

Return tabled.

FEDERAL CONTRACTS WITH CANADAIR

Question No. 519—**Mr. Orlikow:**

1. How many contracts has Canadair, Montreal, received from the Government of Canada in each of the past ten years?
2. What were the products purchased by the Government of Canada under each of these contracts?
3. What was the value of each of these contracts in the past ten years?

Return tabled.

C.M.H.C. LAWYERS EMPLOYED, METROPOLITAN TORONTO

Question No. 548—**Mr. Scott:**

1. Since April 8, 1963, how many lawyers have been employed by Central Mortgage and Housing Corporation in the area of metropolitan Toronto?
2. In each case, what was the name of each lawyer and the renumeration paid to each?

Return tabled.

HIGH ALTITUDE RESEARCH PROGRAM

Question No. 678—**Mr. Orlikow:**

1. How much money has the Canadian Government contributed to the development of the High Altitude Research Program in each of the past three years?
2. How much money has HARP received from the U.S. Government sources in each of the past three years?
3. Has the Canadian Government made a commitment to HARP for the next year and, if so, how much money has been promised to HARP under this commitment?

4. Has the normal increase in funding expected in the case of a successful program been applied in this case, that is 3 to 1?

5. What other sources of funds does HARP have and how much will it receive from these sources for the coming year and the year following?

6. Did HARP have a contract from the Canadian Government for the past year and, if so (a) when was the contract drawn up (b) when was the contract signed (c) how much money was allocated to HARP under this contract?

7. Is any of the HARP money spent in Canada through the contracting and subcontracting of HARP work to Canadian industry and, if so, how much money, by what companies and where is it spent?

8. Where are HARP's launching sites at the present time?

9. Is HARP contemplating new launching sites and, if so, where?

10. Were any Canadian launching sites considered by HARP and proposed to the government and, if so, where were these launching sites?

11. Were these proposed sites turned down by the Canadian Government and, if so, for what reason?

12. Have the ultimate implications of the HARP project in terms of defence been adequately considered?

13. In this field is the possible production potential in which Canadian industry could be involved being considered?

14. Are systems studies which lead to recommendations and adoption of military or commercial systems being carried out by entirely independent and objective research consultants or are they being carried out by systems consultants whose companies are financed and backed by the producers of hardware equipment which would of necessity indicate biased judgment and an approach to the solution of problems designed, to specifically boost the products of the controlling companies?

Return tabled.

ADVERTISEMENT RESPECTING LABOUR CODE

Question No. 792—**Mr. Harkness:**

1. In how many daily newspapers throughout Canada did an advertisement about the Labour Code, containing questions to and answers by the Minister of Labour, appear?

2. Was this a full-page advertisement in each of these newspapers, if not, in how many newspapers was it a full-page advertisement and what was the size of the advertisement in other newspapers?

3. What was the cost of this advertisement for each of the newspapers in which it appeared?

4. Out of what Parliamentary Vote was the cost of this advertisement paid?

Return tabled.

BUTTER STATISTICS

Question No. 799—**Mr. Boutin:**

1. What has been the total production of butter in Canada during the years 1963, 1964 and 1965, to date?

2. Does Canada export any butter and, if so (a) to what countries, and (b) what has been the total amount of such exports in the years 1963, 1964 and 1965, to date?

[Mr. Orlikow.]

3. What was the percentage of butter consumed on the domestic market in 1963, 1964 and 1965, to date?

4. What was the disposition of unsold production in 1963, 1964 and 1965, to date?

Return tabled.

MOTIONS FOR PAPERS

Mr. J. B. Stewart (Parliamentary Secretary to Secretary of State): Mr. Speaker, motions 50 and 55 are acceptable to the Government. Motions 48, 49 and 52 are acceptable to the Government subject to the usual reservation concerning the consent in each case of the provincial Government involved. Motion 51 is acceptable subject to the usual reservation concerning the consent of other Governments.

Some hon. Members: Agreed.

Mr. Stewart: I ask that notices of motion Nos. 41, 47, 53 and 54 be now called. I ask that the remaining notices of motion be allowed to stand.

CORRESPONDENCE FROM GARTER KING OF ARMS RESPECTING FLAG

Motion No. 41—**Mr. Coates:**

That an Order of the House do issue for a copy of any letter or correspondence received by the government from the Garter King of Arms prior to the adoption of the new Canadian flag, January 28,

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I had a word with the hon. gentleman and explained to him that there was actually no correspondence relating to the flag of Canada, but there had been certain correspondence of a confidential character at an earlier time with the Garter King of Arms. The Garter King of Arms is regarded as a member of the Royal household, and to the best of my knowledge I do not believe there is any precedent for producing correspondence with any member of the Royal household. I believe the hon. Member feels that under the circumstances it would be appropriate to withdraw this Notice of Motion.

Mr. Coates: Withdrawn.

Order discharged and motion withdrawn.

PROCESSING PLANTS INVOLVED IN AVERAGE MILK PRICE

Motion No. 47—**Mr. Vincent:**

That an order of the house do issue for the list of processing plants, indicating for each, the type of operation, to be used by the Agricultural Stabilization Board to set the average national price for deliveries of milk in Canada, per cwt., during the dairy year 1965-1966 together with the list, indicating type of operation, of other factories, prices of which the board will not take into account.

Mr. Pickersgill: The Member is not here.

Some hon. Members: Stand.

Mr. Speaker: Shall this notice of motion stand?

Some hon. Members: Agreed.

Motion stands.

CONSTRUCTION OF ROAD, MORRIS PROVINCIAL CONSTITUENCY, MANITOBA

Motion No. 48—**Mr. MacInnis:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all correspondence between Premier Ross Thatcher and/or other Ministers in the Saskatchewan Government and the Prime Minister and/or Minister of Agriculture since June 1, 1964 in connection with a road which the provincial government wishes the federal government to build or finance in the Morris provincial constituency.

Motion agreed to.

LETTER FROM QUEBEC MINISTER RESPECTING FARM ASSISTANCE PROGRAM

Motion No. 49—**Mr. Laprise:**

That an Order of the House do issue for a copy of a letter addressed by the Quebec Minister of Agriculture, to the federal Minister of Agriculture, dated September 9, 1964 regarding a farm assistance program.

Motion agreed to.

CORRESPONDENCE WITH BERNARD POWER

Motion No. 50—**Mr. Laprise:**

That an Order of the House do issue for a copy of all correspondence exchanged between Mr. Bernard Power and the Minister of Transport during the month of June 1965.

Motion agreed to.

EXPO '67—INVITATION TO RED CHINA

Motion No. 51—**Mr. Hamilton:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all correspondence exchanged between the Secretary of State for External Affairs and the Government of the Republic of China (Formosa) respecting an invitation extended to that Government on behalf of the Canadian Corporation for the 1967 World Exhibition to participate in the Universal and International Exhibition of 1967.

Motion agreed to.

PROVISION OF MEDICAL SERVICES TO INDIANS, SASKATCHEWAN

Motion No. 52—**Mr. Howard:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all correspondence, telegrams and other documents exchanged between the government or any agency, department or branch thereof and the Government of Saskatchewan or any agency or department or branch thereof since January 1, 1960 relating to the application of medical services to the Indian people in Saskatchewan.

Motion agreed to.

PROVISION OF MEDICAL SERVICES TO INDIANS, SASKATCHEWAN

Motion No. 53—**Mr. Howard:**

That an order of the house do issue for a copy of all notes, or memoranda made as a result of any conversations, by telephone or otherwise, between the government or any agency, department or branch thereof and the Government of Saskatchewan or any agency, department or branch thereof since January 1, 1960 relating to the application of medical services to the Indian people in Saskatchewan.

Mr. Knowles: Could this stand, Mr. Speaker?

Some hon. Members: Agreed.

Motion stands.

SURRENDER OF KLEMTV INDIAN RESERVE

Motion No. 54—**Mr. Howard:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all telegrams, correspondence or other documents exchanged between the government or any agency or branch thereof and any other person, government or organization relating to the sale, lease, rent or surrender of any part of the Indian Reserve or Reserves of the Klemtv (Kitasoo) band of Indians and for a copy of all minutes of the said band relating to all such sales, leases, rentals or surrenders.

Mr. Knowles: Stand.

Some hon. Members: Agreed.

Motion stands.

RETENTION OF MULGRAVE, N.S. AS ALTERNATE WINTER PORT

Motion No. 55—**Mr. MacEwan:**

That an order of the house do issue for a copy of all correspondence, telegrams or other documents exchanged between the government or any agency, department or branch thereof, and any person, town council or organization, relating to the retention of Mulgrave, N.S. as an alternative winter port.

Motion agreed to.

INDUSTRY

ASSISTANCE TO WORKERS AND INDUSTRIES AFFECTED BY AUTOMOBILE AGREEMENT

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address a question to the Minister

of Labour. In view of the strong protest launched by the U.A.W. against the newly announced TAB plan, and the recent strong protest from the Ford Motor Company, both of whom are directly affected, can the Minister of Labour say whether he is prepared to withdraw this plan and put forward a better plan which would be acceptable to both parties concerned?

Hon. A. J. MacEachen (Minister of Labour): No, Mr. Speaker, it is not intended to withdraw the plan. The plan is a good plan. It provides a very high level of benefits. It compares very favourably with the plan proposed in the United States, and in the circumstances I think it is quite proper to expect the Ford Motor Company to contribute to a fund to assist in the adjustment problems of these workers. Because of the care that has been taken in developing this plan; because it provides a high level of benefits for the workers; because it holds intact their SUB funds and benefits for the future, and because it places an obligation on the companies to contribute, I think it ought to be acceptable generally after this is fully understood.

Mr. Starr: A supplementary question, Mr. Speaker. How does the Minister justify his statement that this is a good plan when both parties who are subject to the plan are protesting against it?

Mr. MacEachen: Mr. Speaker, I understand the attitude of the Ford Motor Company. It is an attitude that would be fully understood, but from the point of view of the public it is important in our view that the companies be given an opportunity to bear a part of this financial burden.

Mr. Starr: A further supplementary question, Mr. Speaker. How does the Minister justify this plan when the employees, in whom he has professed such great interest, are also protesting against it?

Mr. MacEachen: Mr. Speaker, it would be unusual for the leadership of a trade union to accept fully any plan without suggesting that the benefits be higher and the reaction in this instance is fully understood and expected.

Mr. A. D. Hales (Wellington South): Mr. Speaker, I have a supplementary question for the Minister of Industry. Consequent upon Canada signing the automotive agreement with the United States, the outright gift of $50 million to the car manufacturers, and the supplementary benefits now being provided for displaced Ford workers, can the Minister tell the House and all Canadians when we may expect to buy Canadian made cars at cheaper prices or in line with the prices of American made cars?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I think the situation has been made clear. Over the period of the operation of the agreement in the next three years we can expect, as the President of the Ford Motor Company announced the other day, that there will be a significant narrowing of the price differential between Canadian and United States prices for cars.

Mr. Reid Scott (Danforth): A supplementary question to the Minister of Labour, Mr. Speaker. Can the Minister assure the House that the Ford Motor Company of Canada will be required to make these contributions, or is there any truth in the suggestion that it has the opportunity to opt out of this particular scheme?

Mr. MacEachen: Mr. Speaker, there is no compulsion in this plan at all with respect to the contributions from automobile companies with SUB plans. We fully expect that in the circumstances the companies will come forward and make contributions to the fund.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question, Mr. Speaker. Is it a fact that the companies, which will get $50 million a year from the Canadian taxpayers, are not going to be required to make contributions under the plan; that any contributions will be purely voluntary and gratuitous if they decide to make them?

Mr. MacEachen: Mr. Speaker, as long as it comes in the form of hard cash the description is quite unimportant.

Mr. M. W. Martin (Timmins): A supplementary question to the Minister of Industry, Mr. Speaker. Are we to understand that the companies will get $150 million or $1 million a week before we can expect any lowering in the prices of cars?

Mr. Drury: No, Mr. Speaker.

PUBLIC SERVICE

GUY LORD—EMPLOYMENT IN OFFICE OF HIGH COMMISSIONER TO U.K.

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the Secre-

tary of State for External Affairs. Can the Minister tell us whether Mr. Guy Lord, who figures prominently in the Dorion report, is still in the employ of the Canadian High Commissioner in Great Britain?

Hon. Paul Martin (Secretary of State for External Affairs): Oh, no, Mr. Speaker. He is a student at Oxford, the second best university in England.

ANDRÉ LETENDRE—INQUIRY AS TO CONTINUED EMPLOYMENT

On the orders of the day:

Mr. R. Gordon L. Fairweather (Royal): I have a question for the Acting Minister of Justice. I wonder whether Mr. André Letendre remains in the Government service.

Hon. G. J. McIlraith (Acting Minister of Justice): No, Mr. Speaker. By virtue of the provisions of the Civil Service Act—I think it is section 71—he is no longer in the employ of the Government.

ADMINISTRATION OF JUSTICE

DORION REPORT—REPORTED SHORTAGE OF FRENCH COPIES

On the orders of the day:

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I should like to direct a question to the Prime Minister.

Can he tell the house why it was not possible, as early as 7:15 o'clock last night, to get a French copy of the Dorion report?

Can he also tell the house if he intends to take steps to order a second edition to meet the public demand?

[*English*]

Right Hon. L. B. Pearson (Prime Minister): I cannot answer that question, but I will take steps to get the information for my hon. friend.

Mr. Robert C. Coates (Cumberland): I should like to ask the Prime Minister if he can give assurance to the House that there will be sufficient copies of the Dorion report published to meet the public demand. I understand that the Queen's Printer has already run out.

Mr. Pearson: We are always anxious to meet the public demand. We certainly hope it will be met in this case.

Inquiries of the Ministry

HOUSE OF COMMONS

EMPLOYMENT OF SECRETARIAL STAFF DURING RECESS

On the orders of the day:

Mr. Jack A. Irvine (London): May I ask the President of the Privy Council if he is now able to make a statement with regard to the question I asked yesterday about the employment of the secretarial staff during the adjournment.

Hon. G. J. McIlraith (President of the Privy Council): Mr. Speaker, I understand that arrangements have been made to have that staff kept on during the recess. The arrangement is that they will be asked to take whatever holidays are coming to them early in the recess. Then they will be asked to do work to assist with the Inter-Parliamentary Union meeting which will be taking place here in September and to perform certain other work of that nature during any time they have left over after taking care of hon. Members' business.

INQUIRY AS TO SEATING ARRANGEMENTS AND APPOINTMENT OF PARLIAMENTARY SECRETARIES

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): I should like to ask the Prime Minister if he has any announcement to make concerning the appointment of Parliamentary Secretaries, or a Parliamentary Secretary.

Right Hon. L. B. Pearson (Prime Minister): Not at this time, Mr. Speaker.

Mr. Winkler: May I ask a supplementary question. I should like to ask the House Leader if he can inform the House whether there have been any changes in the backbench seating plan for his supporters, and what those changes are.

Mr. Pearson: Perhaps I can answer that. There has been a change. The hon. Member for York-Scarborough, who has been put in charge of the organization of committee work on this side, has moved up a little closer to the Whip.

[*Later:*]

Mr. Winkler: May I ask another question of the Prime Minister? Since, as I gather, only one move was made in the seating arrangements of supporters of the Government, can the right hon. gentleman tell the House what has happened to the hon. Member for Dollard? Did he move to another place, or, maybe, to the other place?

Inquiries of the Ministry

Some hon. Members: Oh, oh.

Mr. Pearson: I think his seat has been changed. I am not quite sure where it is.

INQUIRY AS TO APPLICATION OF CANADA LABOUR CODE

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, may I address a question to the Minister of Labour. In view of his proud sponsorship of the legislation providing for a minimum wage of $1.25 an hour, and in view of the fact that tomorrow is July 1, can I ask the Minister whether all those in the employ of this House of Commons who are now receiving less than $1.25 an hour will find tomorrow that the change has been made and they will be earning not less than $1.25 an hour?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, my understanding is that as of July 1 every person in the employ of the Federal Government will receive the $1.25 per hour as a minimum. The statutory holidays and the vacations with pay will also be applied to all Government employees following July 1. With respect to the hours of work, this will require, as is provided in the bill, certain adjustment periods, and the same or similar procedures will be followed so that the objective of the hours of work will have been fully met over a period of time for those in the service of the Government.

With respect to the House of Commons, my information is that as of July 1 all employees will be in receipt of $1.25 an hour. If there are any individuals who are not then receiving this wage I would like to have their cases brought to our attention so the matter may be corrected at once. But my understanding is that everybody is covered.

Mr. Winch: I presume that covers employees of the House of Commons who may be called temporary employees, shall I say, such as student guides? I presume it covers all temporary employees as well?

Mr. MacEachen: I understand that the salary of student guides is far in excess of the minimum.

Mr. Winch: So it covers all temporary employees as well as guides?

Some hon. Members: Sit down.

Mr. Speaker: Order, please.

[Mr. Winkler.]

AGRICULTURE

VANCOUVER ISLAND—COMPENSATION FOR LOSS OF NURSERY STOCK THROUGH INFESTATION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Minister of Agriculture which is of concern to some agricultural producers in British Columbia. Can the Minister inform the House what his Department has done to meet the problem of the golden nematode, which has been bothering some farmers in British Columbia?

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, as hon. Members are aware, the department announced on June 22 that the golden nematode, a serious pest of potato and tomato crops, had been found in a commercial field of potatoes in the Saanich peninsula of Vancouver Island.

This is a serious pest, not only because of its effect on potato crops but because if it became widespread it could result in restrictions on exports of plants with soil and seed potatoes, particularly to the United States.

The nematode was identified on the Vancouver Island farm on June 17. The farm has been placed under quarantine, and the export out of Canada of plants or crops with soil from Vancouver Island has been prohibited. Departmental officials have conducted an intensive survey of crops on the peninsula and to date have found no further indications of infestation except on this one farm. Investigations, however, are being continued to ensure that the infestation is confined to this one farm.

With regard to the question raised by the hon. Member for Esquimalt-Saanich, I may say that in cases where it is warranted appropriate compensation is provided for under the Destructive Insect and Pest Act.

Mr. Chatterton: The Minister said the export of crops with soil will be prohibited. Will the movement of such crops to other parts of Canada outside the Island be prohibited?

Mr. Hays: Yes, I think this is the case.

Mr. Chatterton: In that case would the farmers who are indirectly affected, those on whose property there is no infestation, be eligible for compensation also?

Mr. Hays: I will have to take the latter question as notice.

QUEBEC—ASSISTANCE TO FARMERS

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lac-Saint-Jean): Mr. Speaker, I should like to direct a question to the Minister of Agriculture.

I noticed a while ago that he answered with great interest a question directed to him by a member from the province of British Columbia. I should like to know whether he has given as much attention to the consideration of the brief submitted to him during the last few days by the Saguenay U.C.C., in connection with a request for $5 million assistance in favour of the farmers in the Saguenay-Lac-Saint-Jean area.

[*English*]

Hon. Harry W. Hays (Minister of Agriculture): I have not had an opportunity to sit down with this group as yet.

BRITISH COLUMBIA—LOSSES SUFFERED BY FRUIT GROWERS

On the orders of the day:

Mr. Stuart A. Fleming (Okanagan-Revelstoke): Mr. Speaker, I would like to address my question to the Minister of Agriculture and ask whether he could indicate when a decision will be reached or when an announcement will be made concerning a decision following the representations made to him yesterday by the Minister of Agriculture of British Columbia and representatives of the B.C. tree fruit industry for Federal Government assistance for the industry as a consequence of the disastrous losses suffered earlier this year.

Hon. Harry W. Hays (Minister of Agriculture): As soon as all the details are worked out, Mr. Speaker.

SOUR CHERRIES—INQUIRY AS TO ASSISTANCE TO GROWERS

On the orders of the day:

Mr. A. D. Alkenbrack (Prince Edward-Lennox): Mr. Speaker, my question is for the Minister of Agriculture. It arises from the fact that cherries will soon be ripe in Prince Edward County. Last year an estimated $30,000 worth rotted on the trees because of unfair import-export advantage given to the State of Michigan. Last week the Minister informed the hon. Member for Wellington South that he would make a decision in regard to assistance being provided to the growers of cherries in Ontario. What is that decision?

Inquiries of the Ministry

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, there were 1,300 tons of sour cherries abandoned on trees in Ontario last year, mainly on account of poor colour. The total production in Ontario last year amounted to something like 15,112 tons. The Government supported the price to producers by supplementary payments totalling $300,000 last year, for the first time. And it might be pointed out that in the United States bordering the Great Lakes area 55,000 tons of sour cherries were abandoned on the trees last year for the same reason.

Mr. Alkenbrack: A supplementary question, Mr. Speaker. Would the Minister, together with the Minister of Finance, do something to correct the disparity between duties on cherries in the present unfair deal to Canadian fruit growers, whereby the American duty against Canadian cherries is 10½ cents a pound and the Canadian duty against American cherries is 3 cents a pound?

FISHERIES

DELAY IN PAYMENT OF SUBSIDIES ON DEEP SEA DRAGGERS

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): I have a question for the Minister of Fisheries. Since authority to pay subsidies on deep sea fishing draggers was transferred from the Maritime Commission to the Department of Fisheries there has been a lengthy delay in the payment of federal subsidies to provincial loan boards. Will the Minister of Fisheries investigate the cause of this delay so that no undue hardship may be imposed upon shipyards and shipbuilders in the Atlantic provinces?

Hon. H. J. Robichaud (Minister of Fisheries): I wish to advise the hon. Member that one of the main reasons for delay, if there has been delay, was the need to draft new regulations in order to make subsidies applicable under the policy changes which took place some months ago. I wish to assure the hon. Member that everything is being done to take care of all applications as received.

COAL

NOVA SCOTIA—REQUEST FOR REPORT ON STUDY

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): My question is addressed to the Minister of Trade and Commerce. Is the

Minister in a position today to provide a progress report on the activities of Dr. Ritchie Donald, who has been retained to make a study of the problems affecting the coal industry in Nova Scotia and can the Minister suggest an approximate time when some action can be taken by the Government to assist the industry?

Hon. Mitchell Sharp (Minister of Trade and Commerce): By way of an interim report I may say that Dr. Donald has been very active since his appointment. He has been in touch with all the interests involved in the Cape Breton coal problem. He is now making an on the spot study. I have given him instructions to undertake a thorough study but to waste no time. The report will be along in due course.

BROADCASTING

REPORTED CONFLICT IN STATEMENTS RESPECTING COLOUR TELEVISION

On the orders of the day:

Mr. R. R. Southam (Moose Mountain): I should like to direct a question to the Secretary of State in connection with his recent statement that Canada would have colour television in 1967 at an estimated cost of something more than $15 million. How does the Minister reconcile this statement with that of Mr. Alphonse Ouimet, President of the C.B.C., who was quoted by the Toronto *Daily Star* as saying recently in an address to the Canadian Public Relations Society that it would take 10 to 15 years to convert to colour television at a cost of up to $40 million?

Hon. Maurice Lamontagne (Secretary of State): The figure I gave to the House represented mainly the cost of adapting and adjusting the network facilities throughout the country.

DOMINION-PROVINCIAL RELATIONS

QUEBEC—ADDRESS TO HER MAJESTY RESPECTING PROVINCIAL CONSTITUTION

On the orders of the day:

Hon. Paul Martineau (Pontiac-Témiscamingue): I have a question for the Prime Minister. Is the Prime Minister in a position to state the intention of the Government with regard to the address received from the Legislative Assembly of the Province of Quebec?

[Mr. Muir (Cape Breton North and Victoria).]

Right Hon. L. P. Pearson (Prime Minister): It is the intention of the Government in due course to refer to the Governor General, with advice, the communication from the government of Quebec, together with the resolution adopted by the Legislative Assembly for transmission to London.

Mr. Martineau: Will this be done prior to a debate on the question in the House of Commons?

Mr. Pearson: There has been an opportunity, and there will be an opportunity, to bring up this matter during the next session before the recess.

Mr. Martineau: One supplementary question, if I may. Will the advice to be given by the Government on this address be favourable or unfavourable, or neither one way nor the other?

Mr. Pearson: I think that question has already been answered.

PENITENTIARIES

POSSIBLE SITTING OF JOINT COMMITTEE DURING RECESS

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I wish to address a question to the Acting Minister of Justice. In view of the announcement made by Mr. Speaker today that the other place has named its membership on the Special Joint Committee of the House of Commons and the Senate on Penitentiaries, may I ask the Acting Minister of Justice whether it is the intention to proceed with the work of the committee during the recess, or after reconvening on September 20?

Hon. G. J. McIlraith (Acting Minister of Justice): I will have to take that question as notice.

DOMINION DAY

ARRANGEMENTS FOR FLYING OF ROYAL UNION JACK FLAG

On the orders of the day:

Mr. A. D. Hales (Wellington South): I wish to address a question to the Minister of Public Works. In view of the fact that tomorrow Canada, a senior member of the Commonwealth of Nations, will be celebrating her 98th birthday, has the Minister made arrangements to supply the Royal Union Jack to all Federal buildings so that it may be flown tomorrow?

Hon. Lucien Cardin (Minister of Public Works): No arrangement of this sort has been made. However, I will look into the matter.

POST OFFICE DEPARTMENT

KIWANIS INTERNATIONAL—REQUEST FOR COMMEMORATIVE STAMP

On the orders of the day:

Hon. Michael Starr (Ontario): I wish to address a question to the Postmaster General. Kiwanis Clubs all over Canada will be writing to the hon. gentleman, and no doubt he is already in receipt of some correspondence requesting that he give consideration to the issuance of a special commemorative stamp to mark the golden anniversary of Kiwanis International. Would the Minister give this request from this very worth-while organization favourable consideration?

[*Translation*]

Hon. René Tremblay (Postmaster General): Mr. Speaker, I have not as yet received any such requests, but I can assure the hon. member than when I do I shall give them the utmost consideration.

[*English*]

DRUGS

TRIFLUOPERAZINE—INQUIRY AS TO REPORT OF COMMITTEE

On the orders of the day:

Mr. Charles J. M. Willoughby (Kamloops): I should like to ask the Prime Minister a question. In view of the fact that we hope the House may be adjourning in the near future, can the right hon. gentleman tell us whether the special committee set up to investigate the issue of a patent to a company seeking to manufacture the drug trifluoperazine has made any report to the Government?

Right Hon. L. B. Pearson (Prime Minister): I will be glad to look into this matter. If the hon. Member would allow me I might be able to communicate some information to him later in the afternoon.

Mr. P. B. Rynard (Simcoe East): I should like to ask the Prime Minister a supplementary question. Would the right hon. gentleman agree to bring this report before Parliament before it is acted upon?

Mr. Pearson: That seems to be a reasonable request, and I will be glad to look into it.

Inquiries of the Ministry

LABOUR CONDITIONS

INQUIRY AS TO LEGISLATION RESPECTING SAFETY IN EMPLOYMENT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour. In view of the Minister's statement on October 14 last that the Government's legislation regarding safety in employment was then being drafted and would be proceeded with as soon as possible, and in view of the fact that this was also forecast in the Speech from the Throne at the start of this session, can he say when this legislation will be on the order paper?

Hon. A. J. MacEachen (Minister of Labour): Not before the summer adjournment, Mr. Speaker.

Mr. Knowles: A supplementary question, Mr. Speaker. Will it be on the order paper when we come back after the summer adjournment?

Mr. MacEachen: Yes, after the summer adjournment.

Mr. Knowles: So will Christmas be after the summer adjournment.

BUSINESS OF THE HOUSE

COMMITTEE CONSIDERATION OF DESIGNATED AREA LEGISLATION

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): I wish to address a question to the Prime Minister concerning the business of the House. It has to do with Bill No. C-129. I know I can speak for the members of this party, and I believe our views are shared by members of other parties. While we agree with the intent of the legislation there is a good deal of dissatisfaction with the procedures set out in it. Without any desire whatsoever to hold up the legislation, I think most hon. Members will want to discuss it and suggest fairly far reaching changes.

I should like to suggest to the Prime Minister that in the interests of getting on with the work of the House he might give consideration to sending this legislation to a committee of the House so it can be studied and the regulations examined, and the formula for designating areas gone into more thoroughly than could possibly be the case in the House in the next couple of days.

Right Hon. L. B. Pearson (Prime Minister): We intend to proceed with this bill, especially as the program begins, I believe, July 1; that is, tomorrow.

[*Later:*]

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address a question to the right hon. Prime Minister and ask whether he would not reconsider the answer he gave to the hon. Member for Burnaby-Coquitlam a few moments ago regarding Bill No. C-129. There are strong feelings about this bill, and in that spirit of co-operation for a summer recess I was wondering whether the Prime Minister would not consider sending the bill to the committee, or giving a reasonable explanation that would satisfy hon. Members, particularly the hon. Member for Timiskaming.

Mr. Pearson: Mr. Speaker, no payments can be made under this legislation until the bill is passed; but I believe I am right in saying that the actual designation of particular areas under the bill has to be carried out, after the bill is passed, by order in council. Therefore there is nothing final in the passing of this bill in so far as the actual designation of areas is concerned; and there will be an opportunity later to discuss that. But I would hope that the bill itself can be passed this afternoon, to enable payments to be made when the areas are designated.

Mr. K. H. More (Regina City): A supplementary question to the Prime Minister, Mr. Speaker. Is it not a fact that the bill is going to be discussed at the conference with the provinces, and that finality in some of the aspects of the bill will be determined at this conference?

Mr. Pearson: Yes. We have already discussed this matter with the provinces.

Mr. Arnold Peters (Timiskaming): A supplementary question, Mr. Speaker. Is it not true that when the Prime Minister made his statement on this matter on June 7, and outlined three things that this bill should do, he had in mind the criteria that would be proposed following the conference; and is he not aware that these are not contained in the bill, nor is there any indication that the desired effects that he hoped would flow from the bill are in the bill?

Mr. Pearson: It is my impression, Mr. Speaker, that the bill will carry out these desired effects.

[*Translation*]

Mr. Marcel Lessard (Lac-Saint-Jean): Mr. Speaker, may I direct a question on the same subject to the Minister of Industry and Minister of Defence Production?

May we conclude that the designated areas will not be named prior to the federal-provincial conference to be held on July 19?

Hon. C. M. Drury (Minister of Industry): That is correct, Mr. Speaker.

[*English*]

Mr. Starr: A supplementary question to the right hon. Prime Minister, Mr. Speaker. In view of the fact that finality as far as the Provinces are concerned has not been reached, and this bill will have to be discussed; and since there is no guarantee that all the Provinces may agree to it—there may be some modifications—would not the Prime Minister reconsider this matter and hold off the bill until that finality with the Provinces has been reached?

Mr. Drury: Mr. Speaker, I think perhaps the distinction should be made between the actual areas to be designated and the general terms and conditions appropriate to parliamentary assistance to the areas that are designated. There have been informal discussions with the Provinces and agreement has been secured on the general scope and nature of parliamentary assistance. That is what is incorporated in the bill. There still remains for final determination the precise delineation of the areas, and it is this it is proposed to discuss with the Provinces at the forthcoming Federal-Provincial meeting. But in so far as the bill is concerned, the scope and nature of the benefits to be provided have been the subject of agreement.

Mr. Pearson: Mr. Speaker, what my hon. friends have suggested is that we alter the procedure that has been recommended to the House for today, and start with some other measure. Perhaps we can discuss the one we are talking about and how we should proceed with it. I do not want to be too rigid in the matter; if the House prefers to go ahead with the two supplementary estimates first, and then perhaps after that go on with interim supply, we should have the opportunity to discuss this subject later.

Mr. Douglas: Mr. Speaker, I think that is an excellent suggestion. I would toss out a proposal to the Prime Minister or the Minister

of Industry and ask whether they would consider—in the event that it is not possible to hold off the legislation, because it comes into effect on July 1—giving some undertaking later when the bill is before the House to have the regulations held off until Parliament reassembles, when they would be submitted to a committee of the House. It seems to me this is the point which is disturbing the Members, they have not received that type of information nor have they seen the regulations. I would ask the Minister whether it is possible to hold up the actual order in council implementing these regulations until fall.

Mr. Pearson: Perhaps, Mr. Speaker, the Minister of Labour could proceed with his supplementary estimate when the orders of the day are called, and then we could discuss this other matter while the House is proceeding with that business.

SUPPLY

The House in Committee of Supply, Mr. Lamoureux in the Chair.

DEPARTMENT OF LABOUR

5c. To extend the purposes of Labour vote 5, main estimates, 1965-66 to include authority for payments of transitional assistance, in accordance with regulations approved by the Government in Council, to workers in automotive manufacturing and parts industries who become unemployed as a result of the operation of the Canada-United States agreement on automotive products, $5,000,000.

The Chairman: Order. House in Committee of Supply, supplementary estimates (C), Department of Labour, for the fiscal year ending March 31, 1966, vote 5c. Shall the item carry?

Mr. Starr: Mr. Chairman, I do not see the Minister of Labour here.

Mr. Martin (Essex East): He will be right down, Mr. Chairman; he has gone for his files.

Mr. Starr: In view of the fact that this item amounts to $5 million I was wondering whether the Minister of Labour might want to make a short statement to elaborate on this plan more fully than he did when announcing it.

Mr. Gordon: Mr. Chairman, I wonder whether you would consider calling item L27c, under the Department of Industry in the meantime, while the Minister of Labour is on his way down to the Chamber.

The Chairman: Is it agreed that vote 5c shall stand?

Some hon. Members: Agreed.

Item stands.

DEPARTMENT OF INDUSTRY

L27c. Loans, in the current and subsequent fiscal years and in accordance with terms and conditions prescribed by the Governor in Council, to assist manufacturers of automotive products in Canada affected by the Canada-United States agreement on automotive products to adjust and expand their production; such loans to be made for the purpose of acquisition, construction, installation, modernization, development, conversion or expansion of land, buildings, equipment, facilities or machinery and for working capital; and to authorize, notwithstanding Section 30 of the Financial Administration Act, total commitments of $20,000,000 for the foregoing purposes during the current and subsequent fiscal years, $10,000,000.

Mr. Lambert: Mr. Chairman, I wonder whether the Minister of Industry, who is here, will give the committee an outline of the terms under which loans may be made under this particular item L27c. These loans are to be made to industry, and I think we should know in precise terms what is the intention regarding these loans so we can see in what proportion they will be allocated, and learn other details. I do not think we should be asked to approve an item for $10 million out of a $20 million commitment on a rather carte blanche basis.

Mr. Drury: Mr. Chairman, if I could refer the hon. Member to my initial statement in *Hansard*, an outline was given there of the terms and conditions under which the loans would be made.

Mr. Hales: Mr. Chairman, as I understand it the Minister of Industry is asking this committee to pass a supplementary estimate for $10 million which is to be used to assist Canadian automotive car parts manufacturers —not the car manufacturers but the parts manufacturers—who have found themselves in a position where they are called upon to enlarge their operations and become more efficient, and in so doing to acquire extra capital. This supplementary estimate is to provide funds for this purpose.

In the initial announcement of the Minister the other day I think he said these loans would be made at an interest rate of 6 per cent. I should like to say that the Government are certainly not going out of their way to help the car parts manufacturers by giving them a loan at 6 per cent. I think any of them could go to other landing institutions and get money at 6 per cent. If the Government are sincere in their efforts to help these manufacturers they should at least grant

them an interest rate lower than that which they can get from other lending institutions.

This assistance is better late than never but the Government have certainly left it pretty late, because at this point many of these manufacturers find themselves in a tight position. In any event I think they are going to think twice before they ask for a loan in order to increase their production and build up their plant, because they themselves are not too sure of the future of this industry. Is the Government going to continue meddling in the car and car parts industry? At the end of the three year term will the whole business fold up and will they then return to where they were before? These are questions which the manufacturers are asking themselves in considering taking this risk of further expansion.

The Minister has not told us just what representation has been made by the people in the industry and whether or not they are satisfied with the suggestion behind this supplementary estimate and the Minister's introductory remarks. The whole industry is in a state of flux at the moment, and I think if the Minister himself were in the car parts manufacturing business he would not know which way to move until this whole matter was settled, or at least until the United States Congress had passed their legislation.

Another question which comes to mind is this. What assurance have the car parts manufacturers of Canada that the Government does not intend to extend its provisions into the replacement car parts business? If this move were to be made the situation for the people in the car parts business would become very serious, because I understand that their bread and butter lies in replacement parts. I sincerely hope the Government is not intending to interfere with this phase of the car parts manufacturing business.

• (3:30 p.m.)

Mr. Douglas: Mr. Chairman, I just want to ask the Minister some questions. This vote is for $10 million for the current year, and authorization for a total of $20 million for the current and subsequent years. Has any estimate been made of the small parts manufacturer's needs? Do they approximate $20 million, or is this a figure that the Ministers' Department has pulled out of the air? Does the Minister think $20 million will meet the situation or is this figure based on any survey that has been carried out?

The other thing I want to ask the Minister about is apropos his statement yesterday

[Mr. Hales.]

that the interest was not a serious factor, but that the real problem involved is getting capital. It seems to me that 6 per cent is a fairly high rate of interest. If the Minister is really interested in helping the small auto parts manufacturers in this process of economic dislocation, the Government can certainly borrow money for less than that, and I wonder why the Minister does not consider 5 per cent as an appropriate rate. I think the only advantage that can be gained under the present terms is the one mentioned by the Minister yesterday, that they can borrow from this fund, assuming it is not all used up in the first six months, whereas they might have greater difficulty borrowing from financial institutions. I would think that most of the companies, with the security they have, would not have much difficulty in borrowing money at 6 per cent. The way the Minister could really help them would be by making this money available at a lower interest rate.

I have asked the Minister two questions; one, what is the estimate based on and, second, will he consider making this money available to these small parts manufacturers at a lower rate of interest?

Mr. Drury: Mr. Chairman, dealing with the questions asked, first as to the interest rate, let me say that the object of this legislation is not to put the Government into competition with normal commercial credit granting facilities, but merely to provide those motorcar parts manufacturers, who find that they are for one reason or another not satisfactory commercial risks, with an alternative source of capital for financing their changes and expansions. It is not intended that this legislation should be a special form of subsidy to parts manufacturers in the sense of giving them—those who avail themselves of these loans—a lower rate of interest, or cheaper money than their competitors can get elsewhere. This legislation is not intended to put the Government into competition with normal commercial credit facilities.

Mr. Douglas: May I ask the Minister a question on that point. Have the Minister's investigations shown that 6 per cent is about the average interest rate which manufacturers of this type would pay if they borrowed money on the commercial market? I thought they could borrow money at 5¼ or 5½ per cent.

Mr. Drury: I am not in the borrowing business myself, Mr. Chairman, but I only wish that motorcar manufacturers in Canada could

borrow money at 5¼ per cent on short term. Unfortunately that is not the case. The 6 per cent interest on relatively short-term borrowings is an attractive rate of interest.

Mr. Douglas: You refer to short-term borrowing. What term has the Minister in mind?

Mr. Drury: I have in mind relatively short or medium-term borrowing. Obviously long-term money tends to be cheaper than medium or short-term money.

In so far as the estimate is concerned, it is quite frankly just that, an estimate obtained after canvassing, to the extent possible, the not fully formulated plans of the motor-car parts manufacturers. It is hoped that this will be more than enough. As the hon. Member for Burnaby-Coquitlam suggests, the attractiveness of the expansion plans of most of the parts manufacturers—and it is apparent to the bankers and other money lenders in this country that they are in a substantially expanding market—is such that they are good risks, and it is expected there will be relatively little recourse to this fund.

The hon. Member for Wellington South asked what representations have been made by the parts manufacturing industry involved in the announcement of two days ago. In reply to that question, let me say that the first reaction is highly satisfactory. The Parts Manufacturers Association has indicated that this will meet their immediate needs and, of course, they are happy about it.

Mr. Hales: Mr. Chairman, I wonder whether I may be allowed to ask a couple of questions I forgot to ask earlier. Why did the Minister set this up as a separate organization, and why is this not being handled through the Industrial Development Bank? Who is going to say who gets a loan; how are these loans going to be processed and what are the mechanics by which they will be processed?

Mr. Drury: Mr. Chairman, as was pointed out in the announcement, the determiners who will say who shall get a loan, and who shall not get a loan, will be the members of the board set up for this purpose. The mechanics of analysing loan applications and the servicing of the loans themselves will be carried out through the Industrial Development Bank machinery, rather than through duplicate machinery established for this purpose. However, the determination or the decision as to which loans will be granted will be made by a special board established for this particular purpose.

Mr. Douglas: Mr. Chairman, may I ask two brief questions, one in respect of the board and one other? Who will be on this board—I am not asking for names, as the Minister has probably not selected the personnel? Will these be persons inside the Department, or persons in industry who will serve on a part-time basis? What is the type of person the Minister has in mind to place on this board, and will their decision be final or will there be an appeal to the Minister from the board? Will the Minister have the final discretion?

The other question I want to ask is in reference to medium-range loans. What does the Minister mean by that term? Does medium-term mean five to eight years, will there be a uniform agreement, or will the agreements vary from borrower to borrower?

Mr. Drury: Mr. Chairman, in respect of the composition of the board, the Chairman will likely be a distinguished gentleman from outside the civil service. The remainder of the board will be made up of senior civil servants from the government department interested in this aspect of the operations, for example, representatives of the Department of Labour, the Department of Finance, the Department of Trade and Commerce and the Department of Industry.

The hon. gentleman also asked whether there will be an appeal from this board. That has not yet been determined, but I hope that it will not be found necessary to provide machinery for appeals.

In so far as the terms and conditions of the loans are concerned, it would be advantageous to the borrower generally not to establish a standard inflexible term, but to tailor the loan to suit the borrower's particular circumstance and to allow repayment of these loans earlier than the contractual date without the payment of a penalty premium.

• (3:40 p.m.)

Mr. Douglas: Mr. Chairman, if the terms of the agreement are to be flexible, what is the maximum length of the repayment period the Minister has in mind?

Mr. Drury: This was pointed out in the announcement I made. In respect of loans secured by moveables, to use Quebec terminology, the maximum period will be of the order of 10 years and in respect of loans secured by immoveable, 20 years.

The Chairman: Order, please. May I suggest that we allow the hon. Member for Villeneuve to make a contribution to the debate.

[*Translation*]

Mr. Caouette: Mr. Chairman, I just wish to ask the Minister of Industry a few questions.

It seems to me that there is a duplication in administration by this new estimate and the way the minister is explaining to Parliament the application of this act dealing with loans, investments and advances to the automobile parts manufacturers. Will people who need such funds be able to borrow from the Industrial Development Bank which exists already? Will they be able also to borrow from another credit or banking institution with the government underwriting those loans?

It is important to know how the department intends to go about administering those loans granted to industrialists and new industries.

The creation of a special commission has been announced to deal with that matter. Special commissions are already operating within the Industrial Development Bank. I believe that some people there are already used to dealing with the industrial and economic development of Canada. We just have to give them more leeway and increase their present responsibilities. Then, there will not be any administrative duplication and the Industrial Development Bank could very well loan funds on a standard basis provided they get the authorization from the department.

I should like to know exactly how the people in need of that money will proceed: will they go to the Industrial Development Bank or to other banking institutions? How will the funds then be provided by the government? Will it not give a guarantee to a banking institution or to the Industrial Development Bank, or will the funds granted by the government be loaned to those new industries which we shall help keep in operation?

[*English*]

Mr. Drury: Mr. Chairman, the choice will lie in the first instance with the borrower. For reasons of his own he may prefer to use his customary means of securing additional capital, and there are a variety of choices open to him. If he is already a client of the Industrial Development Bank he may wish to avail himself of the facilities of that institution. There is of course a somewhat higher rate of interest payable and a somewhat shorter term normally required by the Industrial Development Bank than the rate of interest prescribed and the length of the term of the loan provided for in this particular arrangement.

When consideration was given to the establishment of a separate loan fund and a separate board as an alternative to employing entirely the facilities of the Industrial Development Bank it was felt that for a short term operation, as was made clear in the announcement that this form of assistance both on the side of industrial capital and on the side of labour would extend only to 1968, it would be preferable to set up a separate authorizing body to take care of the short term arrangement rather than endeavouring to change the practices and policies of the Industrial Development Bank.

Mr. More: Mr. Chairman, how many members—

The Chairman: Order, please, The hon. Member for Villeneuve.

[*Translation*]

Mr. Caouette: Mr. Speaker, does the minister not admit, then, that there is duplication in the administration? Would it not have been simpler to authorize the Industrial Development Bank to deal with such cases, thus materially reducing the total cash expense or operating costs which this new administration will cost the Canadian people? Why not, instead, amend the act that now governs the Industrial Development Bank to allow it to make such transactions?

[*English*]

Mr. Drury: Mr. Chairman, there will be no duplication of administration. As I pointed out, the administration and servicing of the loans will be carried out by the staff of the Industrial Development Bank and the only additional body that will be created will be this particular board consisting of a chairman and a number of senior civil servants who will be taking on this task in addition to their present functions. The reason for doing it this way rather than changing the statute of the Industrial Development Bank for a short period was that it was felt we should not disorganize for a short-term project the practices of the Industrial Development Bank which have been evolved over a long period.

Mr. Baldwin: Mr. Chairman, I have only a few comments to make. I must say I take some exception to the method by which this matter is brought before the House. It may be that time is of the essence and that the exigencies of the situation are such that

this action is required. If that is the case, then this action is to some extent understandable. I took exception to the way in which the original measure was introduced by Order in Council; I take exception to the way moneys are made available for the purpose of assisting those who will be displaced in connection with the labour situation, and I take the same stand with regard to the way in which these loans are going to be made.

My view is that matters of this kind where we are breaking new ground should all have been brought forward in legislative form. With regard to the organizations which have been mentioned, the Industrial Development Bank, the Farm Credit Corporation, the Export Credits Insurance Corporation, and so on, legislation was brought before the House and conditions were laid down categorically. The House had ample opportunity to discuss those measures and to make such changes and recommend such alterations as they saw fit.

This particular vote is in the most general terms. The vote as such is a resolution of the House and when incorporated in an appropriation bill it becomes a statute. It seems to me that matters of this kind should be embodied in a vehicle dealing with the issues, particularly where there is a radical departure from the practice of the past.

I notice it is suggested that despite the Financial Administration Act there may be total commitments of $20 million, but my experience is that once such votes creep into the estimates they are continued year in and year out. We may be establishing a precedent here which will make it difficult in the future for us to take objection with regard to issues of this kind. I am not going to argue about the desirability of or necessity for this action, but the method used in this instance and in connection with the vote of $5 million for the original program is one in respect of which I must register my strong protest.

• (3:50 p.m.)

Mr. More: As I understood the Minister, the Commission will be composed of top level civil servants. Will the Chairman also come from the civil service or will the Minister be the Chairman?

Mr. Drury: It will not be the Minister. I hope he will be someone from outside the civil service, but of comparable rank with senior civil servants.

Mr. More: The appointment will be for what term of years? I understand this plan is to deal with an emergency resulting from the adoption of the policy by the Government. What period of years does the Minister foresee for this?

Mr. Drury: As the announcement pointed out, these arrangements are only contemplated for a period ending in 1968.

Mr. Scott: I wanted to ask the Minister if the salaries of these various people have been set as yet, and could he tell us what they will be?

Mr. Drury: As is customary, servants of the Crown do not draw extra remuneration for additional work done on behalf of the Crown.

Mr. Douglas: The Chairman will not be a civil servant, as the Minister indicated he would come from outside. What salary does the Minister intend to pay him?

Mr. Drury: No final determination has been made of that, Mr. Chairman.

Mr. Douglas: Has any determination been made of the person to be appointed?

Mr. Drury: No, Mr. Chairman.

Mr. Scott: I just wanted to say a word in support of the position taken by the hon. Member for Peace River and to register our objection as well to the manner in which this particular type of legislation has been brought before the House. After all, $20 million is a great deal of money, yet we are handed an executive decision by way of an announcement on orders of the day. It seems to us no adequate way is provided for dealing with the matter in this particular fashion. I should like to endorse his views and place this party on record in this matter.

We know the Minister of Industry is very able and knows everything about matters of this kind. Perhaps we should not be questioning his judgment. At the same time, however, we have a good example in the bills which we were discussing on orders of the day again, and about which it seems the views of the Opposition are not really very important and are not going to be given very much consideration. I should like to make our position clear, as well. We object to this way of bringing in very important matters of this kind having them decided by executive decision and then being confronted with the results.

Item agreed to.

DEPARTMENT OF LABOUR

5c. To extend the purposes of Labour Vote 5, Main Estimates, 1965-66 to include authority for payments

of transitional assistance, in accordance with regulations approved by the Governor in Council, to workers in automotive manufacturing and parts industries who become unemployed as a result of the operation of the Canada-United States Agreement on Automotive Products, $5,000,000.

Mr. Starr: We were holding this item until the Minister of Labour arrived, in case he wanted to make a statement further to the announcement he made earlier.

Mr. MacEachen: Mr. Chairman, I do not intend to take much of the time of the committee in introducing this item. I will be prepared to answer any questions that may arise in connection with the item that is being put forward to provide transitional assistance for auto workers. We believe that the automotive agreement will increase production and employment in the automotive industry. The automotive agreement involves considerable reorganization of production, and for that reason there will be temporary unemployment and displacement of workers in the automobile manufacturing industry and in the parts industry. We do not believe that the workers should bear the full burden, the full financial burden, of their unemployment. The economy as a whole will benefit, the country as a whole will benefit, the automobile companies will benefit, and for that reason we believe it is reasonable that the taxpayers and the companies jointly should assist the workers over this temporary period of unemployment.

We are providing a level of benefits for eligible workers ranging from 62 per cent to 75 per cent of the workers' weekly pay, depending upon the number of their dependants and provided these benefits do not exceed 65 per cent of the average weekly wages and salaries in the motor vehicle and motor vehicle parts industries. The present average is just about $75 per week. The maximum benefit available under this proposed plan is $75 per week. I think the generosity, which is the wrong word in the circumstances, in increasing the level of benefit provided under this plan can be more readily appreciated if it is compared with the maximum level of benefit available to unemployed workers under unemployment insurance, which is $36 per week. The maximum under this plan is $75 per week. The maximum hitherto accepted in this country, accepted by Parliament under a bill introduced by my predecessor is $36 per week. We have made, therefore, very successful strides in increasing the level of benefits which will be not only of importance in this case but which will be a point of comparison for any future changes in unemployment insurance, and any further extension of this principle to other cases.

Mr. Douglas: May I ask the Minister a question while he is on that point? How would this maximum of $75 compare with the maximum which would be available to unemployed auto workers who have SUB, because that is the only fair comparison—not with the general unemployment insurance figure?

Mr. MacEachen: This plan will provide a level of benefit slightly higher than SUB—$2 or $3 higher. Now, bear in mind that this plan will apply to all auto workers, many of whom presently are not covered by SUB plans. The taxpayer will have to bear the additional burden of this transitional payment because many are not eligible for SUB plans.

Mr. Scott: In the event you are making payments to workers who are not eligible for SUB benefit, is it not a fact that they will not be eligible for TAB unless the employer agrees to pay into the fund what he would have paid if they had been eligible for SUB payments?

Mr. MacEachen: No, Mr. Chairman; we are not in this plan worsening or bettering the position of any company. We asked companies with SUB plans that an amount equivalent will be put into the treasury or into the TAB fund equivalent to what the company would have paid to it if the SUB plan had been used. In plants where no SUB plan exists—the smaller parts companies, in many cases—there will be no contribution forthcoming from companies. Contributions will come only from companies with SUB plans.

• (4:00 p.m.)

Mr. Scott: Take for example the case of the lay-offs in Windsor last week end. Some 500 workers were laid off by a company which has a SUB plan. Because these men had been employed for less than a year they were not eligible for SUB payments in any event. Are they eligible for TAB even though the employer does not contribute?

Mr. MacEachen: Yes, they will be eligible if they meet the requirements. No doubt we shall be discussing these later.

I think it is important to say a word about our attitude toward the SUB funds. Representations were made to the Government by the auto workers to the effect that these funds, which are built up by company contributions, had at a certain stage in the evolution of

collective bargaining been gained in lieu of wage increases. The argument was put forward: Why should these SUB funds be used during a lay-off induced by public action? We accepted that argument. The proposal of the United States was different. They intend to use the SUB funds. The reason we accepted the argument is simple. If the SUB funds were used to pay benefits during this lay-off the duration and level of benefits would be affected in subsequent lay-offs. In other words, less would be available for use by the workers in non-Government-induced lay-offs. We are therefore asking the companies which have SUB funds to pay into the TAB fund an amount equivalent to what they would have paid had the SUB fund been in operation. The credit of the workers will remain intact for the future, and for workers under any SUB plan the level of benefit will be the difference between what they would receive under unemployment insurance and the maximum of $75.

This is a very important feature of the proposal we are making. In the United States a determination of the benefits to the workers to be affected has not yet been made. A Congressional Committee has studied this question very carefully and a proposal is made in the Committee report indicating Congressional intent as to how public benefits ought to be related to the SUB plans. It may be that the level of benefits, immediately, may be higher than the maximum in Canada if Congressional intent is reflected in a decision of the arbitrator in the SUB plans. We limit our level of benefits to 65 per cent of the average weekly wages and salaries in the motor vehicle and motor vehicle parts industries. The limitation in the United States is, of course, the average of manufacture. The feature of this plan which is definitely superior is that the companies are being asked to pay up, to meet the cost of benefits during this transitional period and the workers will have the SUB plans intact, fully protected for subsequent lay-offs.

Mr. Lambert: What if the companies do not pay up?

Mr. MacEachen: The hon. gentleman asks what would happen should the companies not participate. The Minister of Industry may have something to say about the company contributions, because discussions have taken place between his department and the Ford Motor Company. We fully expect that the motor companies will come forward and contribute. And why not? They are receiving very handsome benefits from this plan.

I may say I am getting a lot of advice from hon. Members around me. This is a group speech.

Mr. Martin (Essex East): There are a lot of us here who are interested in Windsor.

Mr. MacEachen: The companies are receiving these benefits and we are not asking them to contribute more than they would be contributing had the SUB funds been in operation. The hon. Member for Burnaby-Coquitlam says there is no compulsion. There is no compulsion legally, but surely there is a very strong social compulsion for the companies to come forward and contribute. I feel sure the companies will come forward.

Mr. Douglas: What if they do not? What will happen to the workers in that case? Will TAB continue to pay the full amount?

Mr. MacEachen: I do not want to be flippant and say that this is a hypothetical question, but I do not expect to meet that situation at all. I am not thinking of the possibility of the companies not coming forward.

Mr. Starr: On that very point, a few minutes ago the Minister of Labour said there were a great many people who were not covered under SUB. The reason they are not covered in most instances is the attitude taken by the companies that they were not prepared to enter into a collective agreement in this sphere. It was not for lack of bargaining by the U.A.W.A. designed to incorporate this into a collective agreement. If these companies were not prepared to enter into a collective agreement, how will the Minister persuade them to contribute a similar sum toward TAB? If they do refuse, where is the money coming from to pay those who may be affected?

Mr. MacEachen: Workers for companies under agreements not including SUB will be fully compensated out of the TAB fund.

Mr. Starr: That is, by the Government.

Mr. MacEachen: They will be fully compensated out of the TAB fund provided by this estimate. Only companies with SUB funds will be asked to provide an equivalent amount.

[*Translation*]

Mr. Caouette: Mr. Chairman, the minister has just told us in his own way the process that will be used with respect to adjustments

made for workers who will have to change jobs.

In the first place, who will decide the eligibility of workers? Will it be the National Employment Service or the Unemployment Insurance Commission? Which organization will decide the eligibility of a candidate or claimant who puts in an application to obtain such a sum of money?

The minister says that the management of automobile companies do not object to taking part in these payments. In this connection, I agree with him and even if some members have expressed their concern, we are not afraid of that. The companies will lose absolutely nothing, even if they contribute. Indeed, if the directors of a firm are contributing $100 for instance, do not suppose that this amount will be taken out of their profits. The price of the car will be increased not by $100, which was the amount provided, but by $100 plus the normal profit rate, namely 10, 12, 15 or 20 per cent, which means that the prices are going to be increased and that the Canadian taxpayer, the Canadian worker is again the one who will have to pay.

Mr. Gauthier: It could be the dealer.

Mr. Caouette: Not even the dealer, Mr. Chairman. Those who are wondering whether the companies will share in this plan need not worry, for the directors of those companies agree right off with the minister or ministers concerned to contribute to those funds, since those contributions will be added to the cost price of the products they will be selling.

Consequently, I feel that the minister is perfectly right in saying that he is not worried, that he does not even think that those company officials could refuse to participate in his scheme. Anyone would contribute in the same way when it is profitable to him and does not cost a cent to the company.

Mr. Chairman, what will happen to the man, to the worker who will be displaced? Who will decide whether or not he is eligible to the benefits he is claiming because he is displaced or transferred from one plant to another?

• (4:10 p.m.)

[*English*]

Mr. MacEachen: Mr. Chairman, the hon. Member for Villeneuve asked how the eligibility of workers would be determined. An application for assistance could be submitted by a firm on behalf of its employees, by a group of workers, by their union or by an authorized representative, to the Adjustment Assistance Board, and the Board would conduct an investigation and determine whether a significant number or proportion of workers of the firm or subdivision thereof have been or will be laid off for a period of at least 30 days, and whether the lay-off was caused by the termination of or significant decrease of production or activity arising from the operation of the Canada-United States automotive agreement. If the Board accepts the application it will then certify that this group of workers is eligible and the workers would then apply to the Department of Labour for the transitional assistance.

Mr. Douglas: Is there any length of time involved?

Mr. MacEachen: The determination must be made within 30 days of receipt of the application by the Board.

Mr. Douglas: Is there any length of service by the worker required in order for him to be eligible?

Mr. MacEachen: Yes, Mr. Chairman. The worker must first of all be eligible to receive unemployment insurance benefit. To be eligible a worker must have had at least 30 weeks of employment in the 52 weeks prior to the lay-off; the idea being that there must be some attachment to the industry on the part of a worker in order to receive benefit. This is well understood in unemployment insurance and other benefits, and 30 weeks is the period of employment that is required.

Mr. Starr: With regard to the 30 days in which approval must be obtained from the Adjustment Assistance Board, is this period after the actual lay-off takes place?

Mr. MacEachen: It is actually after the application has been received by the Board. Presumably an application could be made to the Board in anticipation of a lay-off, but more logically it would probably occur at the time of the lay-off. Then the application would be made, and the determination made within 30 days.

Mr. Starr: Mr. Chairman, the Minister of Labour has outlined to us in brief detail some of the aspects of this so-called new plan, the TAB plan. It is no different, in my opinion, from what has been negotiated with the employers by most of these people who will be affected. That is called the Supplementary Unemployment Benefits plan. The Minister said a moment ago that application must be made to the Adjustment Assistance

Board in respect of workers who have been laid off, and a decision must be made within 30 days. This is not good enough. This is not as good as the SUB plan, under which a person laid off can receive full benefit after the first seven days and does not have to wait. He can send his application directly to Ottawa in order to have it considered carefully, and does not have to wait 30 days without receiving any benefits whatever.

What does this new TAB plan really do? It gives each and every worker $2 or $3 a week more than he would receive under the SUB plan; but because of the limit of $75 a week many employees who have negotiated for a higher percentage under the SUB plan would receive less. Not only the automobile industry but subsidiary industries, parts manufacturers, operating under the SUB plan give anywhere up to 80 per cent or 85 per cent of the take-home pay of the worker. Consequently the worker is not going to receive as much under this plan as is the case under the regular SUB plan. No wonder the U.A.W. which negotiates most of these contracts, and all the automobile industry and its subsidiaries, are claiming that this plan is not the solution to their problem. It does not go far enough; in many cases it does not go as far as SUB.

What is the Government's contribution? It is $2 or $3 a week per worker. This is the entire contribution the Government is willing to make. You cannot count the unemployment insurance benefits because they are there now; the workers are entitled to them now, provided they have made sufficient contributions. What the Government is offering them is $2 or $3 a week more, in some instances, than they would get under the SUB. This measure, this supposedly great help to the laid-off workers, has been brought in as the direct result of an agreement this Government signed almost six months ago. Here is a Government which came into office on the basis of 60 days of decision. It has now become a Government of deadlines. I doubt very much whether even this token assistance would have been brought in if we were not approaching the end of the session and a recess for the summer months, if pressures had not built up to the extent that the Government was forced to do something about this very important matter.

The Ford Company of Canada points out the facts. I have not heard the Minister dispute these facts, which are contained in the *Globe and Mail* of today's date. In despair, at the last minute and because of impending lay-offs in the Ford motorcar industry, the Minister of Labour rushes to Washington—and this is all he comes back with. I am sure he did not copy the American plan at all; he could have stayed at home and figured this out. All he had to do was to add $2 or $3 more to some of the existing SUB plans.

• (4:20 p.m.)

This is a last minute rush. We had the same situation with the Minister of Industry, who all of a sudden found out, after the Prime Minister had made an announcement on June 7, that he needed a bill to put into effect the principle enunciated by the Prime Minister. Here we are today faced with a problem which we have to unravel. This matter could have been decided two weeks ago. There has been negligence all down the line in the treasury benches on most of the matters affecting the country as a whole and its people.

George Burt of the United Automobile Workers, who is spokesman for the U.A.W.A. members, says that this step does not go far enough, and in view of this he is prepared to criticize the whole plan. I do not think that he would make a statement of that kind without some very serious consideration of the effects of the plan.

A few moments ago the hon. Member for Villeneuve asked who would be in charge of the fund and who would make the payments. I do not think that the Minister advised us as to the instrument he will use to make these payments, whether it would be the Unemployment Insurance Commission or some other agency. These are questions which the Minister of Labour should answer before we pass $5 million, which is a substitute for what should have been an effective plan for workers who are laid off as a direct result of this Government's agreement with the United States.

We should also consider the fact that because of the trade policies of the Government there may be lay-offs in other industries as a result. How does this affect other industries outside the automobile industry? What about lay-offs in the furniture industry, the aluminum industry or the textile industry? Is this plan going to be extended to these industries or is it exclusive to the automobile industry? I would ask the Minister of Labour to answer these questions also.

Mr. Scott: Mr. Chairman, I have a few general observations to make to the Minister,

and then perhaps we can get into the detailed questioning of the plan. First of all, it has been said before in this House that this party is in broad general agreement with the intent of this scheme. All parties in the House have been worried about the imbalance in the automotive industry between Canada and the United States, and the general intent of this legislation to try and correct this is a good one, one with which no one would take serious issue. But it seems to us that this agreement and the proposal of the Minister raises a far more serious question.

What we really have here is one of the first occasions where the actual trade policies of the Government have resulted or will result in fairly severe dislocation of the workers in the industries involved. These workers had nothing to do with the decisions which brought about their unemployment. The agreement was negotiated between the two Governments concerned and the employers. These workers had no influence or sway over our trade policies. As I said, I am not particularly quarrelling with them—

Mr. Douglas: Neither did Parliament.

Mr. Scott: As my leader says, neither did Parliament—but be that as it may, the Government has initiated a very serious problem for the labour movement.

What we would suggest to the Minister is that we take this occasion to establish a new principle in our relations with the trade union movement, namely that where dislocation takes place in the labour force as a result of Government action the workers in the industries concerned should not be expected to bear any economic loss. It is not fair to equate the position with SUB benefits because, as the Minister knows, SUB benefits were never intended to meet this type of situation. Workers in the automotive industry know that there are likely to be lay-offs when they take jobs. This is a hazard of their occupation, and to protect them the union has built up these funds under the agreements. But there is no relationship at all between the principle of SUB plans and the principle as stated in this proposal.

Therefore, Mr. Chairman, we are suggesting it is important to establish this principle now because of its implications for the future, namely that economic dislocation caused by Government activity in the trade field should not result in any economic loss to workers engaged in particular industries. This is not a particularly new idea; there are other areas where this principle has been accepted. But if the Government is not prepared seriously to consider this proposal I suggest there is a real danger that it will succeed in mobilizing the entire labour movement of Canada against any sort of long range and substantial trade policy dislocation.

Already Mr. Burt, the leader of the Auto Workers Union, has spoken out. The Minister said he was not surprised that the union did not feel the benefits were high enough, but because the benefits are so small they have now decided to go out and launch a national campaign to try and turn public opinion against this agreement. Why are they doing this? They are doing it because this Government will not accept the idea that if the community brings about dislocation for the general good then the community should pay the economic cost of such dislocation. We are asking these workers to pick up approximately 35 per cent of the TAB plan, because we have placed an upper limit of 65 per cent on their possible earnings. In effect, the Minister is saying to these workers that they must pay at least 35 per cent, or in other words take a 35 per cent slash in pay and, in addition, forfeit many of their fringe benefits if they are not compensated for them. So we think there is an extremely important principle involved at this time.

In other parts of the world this principle has been accepted. For example, in the European Coal and Steel Community there are provided tide-over allowances for workers, which run up to 100 per cent of their wages plus other forms of assistance, including supplementation or reduced wages. They may receive these benefits for up to two years. Because that guarantee has been given under the Treaty of Rome, the unions involved welcome any kind of automation dislocation or economic change that the Government may want to bring in. But unless you are prepared to accept this principle in Canada, every time the Government wants to bring about a major trade change it will have the labour movement involved mobilized against it, because of what I say is the very niggardly way the Government have adopted in dealing with the dislocation which will take place.

In the United States Secretary McNamara gave a flat undertaking, when the Government closed down 95 military bases, that the workers affected would receive their salaries, would be retrained if necessary, and

that the Government would pay the expenses of moving them, so that in effect they would suffer no economic dislocation at all. We would suggest to the Minister in all seriousness that if he is not prepared to accept this principle, then he is opening the door to a great deal of unrest between organized labour and the Government. I hope I am wrong in this contention, but the indications we have received from the trade union movement are that this will be the ultimate consequences of enacting this legislation unless some very substantial changes are made.

• (4:30 p.m.)

This was certainly borne out, Mr. Chairman, at the hearings in Washington when one of the senior officials of the U.A.W., Mr. Leonard Woodcock, Vice-President, testifying before the Committee said, as recorded at page 12 of his brief:

> —it will be impossible to mobilize future labour movement support for trade liberalization unless and until it is demonstrated that meaningful assistance can and will be provided.

The United States Vice President of that union was laying down a warning to Government that unless almost complete protection is given, the labour force will rise up and resist the very changes and trade policies that many of us are convinced are going to be necessary if we are to adjust in the modern world.

We should look at the actual proposals themselves in order to back this up. As I have said, the first and most obvious one is the limitation. How do you justify telling a working man that because you are going to put him out of work, through no fault of his own, he is only going to get 65 per cent of his normal salary?

Mr. MacEachen: Seventy five per cent.

Mr. Scott: It could go as high as 75 per cent, provided that is not above the 65 per cent general average. However, even taking that figure, what is the working man going to do to get the balance? Why should he be required, because you have done something over which he has no control, to accept this slash in income? Most of these people, like all of us, have their incomes pretty well committed and cannot accept a 25 or 35 per cent slash in income.

The Minister was good enough to admit that even these benefits might appear generous over and above those paid under the Unemployment Insurance Fund, which have always been an impossible disgrace in any event; but merely because 36 per cent is low does not make 62 or 65 per cent an adequate figure. I want to suggest as strongly as I can to the Minister that he should really seriously consider whether this is not the appropriate time to enunciate these same strong trade adjustment principles that have been accepted and enacted in many other parts of the world. I suppose the Government has made up its mind, and nothing that anyone on this side of the House can say will change it, but I do feel that it is embarking on a very serious trend which will result in a lot of needless quarrelling and tension between organized labour and Government in the future.

The automotive workers union I thought made some very reasonable proposals to the Government when they met, and I want to place them on the record. They have six points which, if accepted, would have assured their complete co-operation, instead of what is now their outright opposition. First of all they wanted preferential hiring of displaced workers to ensure that those who lost their jobs as a result of the program would 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. What is unreasonable about that? It seems to be a perfectly proper submission to make.

Second, they wanted an earnings-related adjustment benefit payable during the period of transfer from one job to another, or during the period of retraining. What is unreasonable about that?

Mr. MacEachen: We have met that.

Mr. Scott: Yes, but very niggardly, and in a way in which everybody but the Government is convinced is hopelessly unfair.

Third, they wanted transfer allowances covering the cost of transportation of the displaced worker and his family, as well as his furnishings, to a new location after he is reemployed, or to a training centre away from home. What is unfair about that? What is unfair about asking, if you are going to be moved as a result of Government action, to be compensated for the cost entailed? Why should the worker bear that cost?

Fourth, they asked for federal Government action to end discrimination in hiring practices in the industry, so that older workers who may be displaced will not be refused employment. Again, what is unreasonable about that? I should like to hear from the

Minister as to why the Government could not accept that proposal.

Fifth, they asked for 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. Again, what is unreasonable about that? Why should they be told on a week end that 500 men are going to be laid off?

Finally, they asked for supplementary pension benefits payable to older displaced workers who may be retired early. Again, that is a reasonable proposal which, if it had been accepted, would have assured the co-operation of the trade union movement.

As I have said, many of these proposals have been accepted in other parts of the world and in other jurisdictions. Had they been accepted here, this scheme could be launched with the support of the trade union movement instead of in the face of what appears at the moment to be its bitter opposition.

Our second objection, aside from the inadequacy of the allowances, is the veto power that is given to the companies. Today on orders of the day we asked the Minister whether or not the companies would be required to make contributions to the TAB fund and the Minister quite candidly, as is the case, admitted that there was no requirement for other than voluntary payments on behalf of the companies. It is not good enough for the Minister,—and we are not going to pass this item until we get an answer—to get up and tell us that he does not anticipate having such a problem placed before him. We all know that the Minister never anticipated having to bring in this program, because when we first began to ask questions months ago we were told there would be lots of employment, no dislocation and that no one had to worry. It was not until the United States union representatives appeared before a Congressional Committee and urged it to put pressure on Canada to bring in an adjustment assistance scheme, that any action was really obtained, and I have the transcript of the statements that were made at that time.

It is not enough for the Minister to get up and tell us that he does not think there is any problem and that the companies will pay. We want to know what is going to happen, what your plans, proposal and programs are going to be in the event that the motor companies decline to make these payments. As the hon. Member for Ontario has said, they are pretty tough cookies. It is very hard to get even the SUB plans put into agreements. I do not think they are necessarily going to run down here with $700,000 or $800,000 and hand it over to the federal treasury. We want to know what will happen in the event this takes place.

Finally, we should like to obtain some information from the Government as to why nothing has been done to ensure that the price cuts or savings to the companies are passed on to the consumer in the form of some kind of lower prices. I know the companies have stated that they intend to use this money for expansion, but all the indications we can see in the press from statements that have been made that there is going to be no price reduction, and no benefit to be passed on to the consumer at least for the foreseeable future. I could quote, although we do not want to hold this item up, many of the articles that have appeared in such papers as the *Financial Post*, the *Globe and Mail*, the Windsor *Star*, *Time* and other periodicals which all indicate there is going to be no price cut passed on to the consumer.

This is a completely indefensible position, because of the very substantial profits that are amassed by these Canadian companies. According to one estimate, the annual average profit of the automobile manufacturers has often run to about 30 per cent of their net worth; that is the total amount of their investment capital, compared with the normal 10 to 15 per cent. One Federal official has 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 its investment capital.

These companies have money coming out their ears, and do not require the $50 million bonanza in order to finance their expansions. They have lots of money, and there is no reason in the world why some action cannot be taken toward lowering the price of cars. We have made a rough estimate and feel that it would be possible to have an immediate price cut of about 4 per cent in the wholesale price, and that this could be followed by other cuts at a later date.

• (4:40 p.m.)

This would eventually result in a 17 per cent reduction in the price of cars to Canadians. If the companies refuse to pass this on, the Government has the simple expedient of lowering the tariff payable by individuals who buy cars in the United States; and this, of course, would immediately force the companies into price reductions.

In summary, Mr. Chairman, we again want to emphasize the general desirability of the objectives, and we again want to urge the Minister that he reconsider the level of benefits, because this action will likely set a pattern for almost all of our trade adjustment figures in the years ahead. Unless the level is substantially increased you will engender hostility and lack of co-operation among the trade movement generally in Canada.

We would like to see some form of requirement placed in the legislation so that the companies will be obligated and required to make these contributions. We simply do not feel it is good enough to leave it on a purely voluntary basis and to trust in the social conscience of Ford, General Motors and Chrysler, because to my knowledge they have never displayed any great sense of social responsibility except at the urging of the trade union movement. Finally, we would hope that the Government would take some action to pass on the price savings that the companies are enjoying to the Canadian public.

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

Mr. Ricard: Before the resolution carries, Mr. Chairman, the Minister was asked a direct question by the hon. Member for Ontario with regard to whether there was any possibility in the Minister's mind that this measure would apply at some time in the future to the textile industry and the steel industry. I wish to add to the industries mentioned by the hon. Member the rubber industry, the clothing industry and the shoe industry. I have been sent here by my people to look after their interests, and since there are quite a few companies in my riding of the types I have mentioned I should like to ask the Minister if he contemplates the possibility of extending the privileges of this measure to these other industries?

Mr. MacEachen: Mr. Chairman, may I make a few comments in reply to remarks made by hon. Members. First of all, there is no class of workers whose benefits under the TAB plan will be lower than under a SUB plan. The TAB benefits will generally be greater. In the case of workers in automobile parts plants who are not covered by SUB plans the total TAB benefit payment will be paid out of this fund to a maximum amount of close to $75 per week at present. This is not a copy of the American plan. The purpose of my visit to Washington was to find out in fact what the American plan was and to exchange views with the Secretary of Labour of the United States on our respective approaches to these plans.

We expect that the benefits will be paid by the Unemployment Insurance Commission. The TAB benefits will be retroactive to the beginning of any lay-off and there will not be a 30 day waiting period as suggested by the hon. Member for Ontario, but a waiting period of one week which he suggested is provided under SUB plans.

With respect to the points made by the hon. Member for Danforth, it is a fact that we are breaking new ground in establishing this plan in Canada. It is a very important new step. We are taking the lead in this direction. This is the first time it has ever been done. Our plan is as good as the United States plan and compares favourably with any such plan anywhere in the world. We have accepted the proposal of the United Automobile Workers that we develop an earnings related transitional benefit program. In addition, the duration of benefits will extend up to a year, and for workers in training an additional six months of TAB benefits will be provided so that the maximum will be a year and a half. We are also making available to the workers grants for relocation, as was announced in our mobility program. Any workers dislocated under this agreement will be eligible for the grants under our new mobility program.

We have accepted in great measure the proposals put forward by the United Automobile Workers and I venture to suggest that once this plan is fully understood by the automobile workers there will be much less resistance than was suggested by the hon. Member for Danforth, because we are putting forward in Canada a plan at least as good as that put forward in the United States and there is no indication that in that country the automobile workers or unions will oppose the plan. At least, they have not done so to this point. I venture to suggest that when this plan is fully understood and the built-in benefits for the workers are fully understood, support for the plan will increase.

Mr. Scott: Mr. Chairman, as the Minister knows the American plan is not settled yet and is still before various committees. I do not want to go into the figures because of that fact, but if it should turn out that the American plan provides higher benefits once their scheme is completed and the final figures are drawn, would the Minister be prepared to amend the Canadian legislation then, so they would conform?

Mr. MacEachen: No, Mr. Chairman. We could not accept the view that our policy should be determined by the final outcome of the policy in the United States. We could not do that in the Department of Labour or elsewhere. At the moment, however, as we see their plan developing our plan is as good, and I think definitely superior in certain aspects with respect to protections for workers, because under our proposal the SUB fund and the SUB credits for workers will be fully protected and not used up, and thus will be available for subsequent lay-offs. This is a very important point that is not covered in the United States. The companies are also requested to come forward to assist in the transition, which is not being done in the United States, although it has been asked by leading members of the Congressional Committee.

The hon. Member for St. Hyacinthe-Bagot has asked about the application of this new lead to other situations in the country. That is a matter of Government policy which is under consideration and any decision in this regard will be announced in the usual way.

Mr. Douglas: Mr. Chairman, I want to ask the Minister a question about the estimate on unemployment. I want to say that this supplementary vote and the other one brought in by the Minister of Industry, which has just been dealt with, ought to be called two items for the repair of the damage done by the Minister of Industry who in his haste concocted an agreement without looking fully into what the effects of the agreement would be. When this agreement, which was signed by the Minister of Industry on behalf of the Government and never referred to Parliament, was first made public we drew attention to the fact that there were three groups of people to whom some attention would have to be paid.

• (4:50 p.m.)

The first were the workers who would be unemployed and would suffer economic dislocation; second, the small parts manufacturers who would have to retool their plants or relocate them, and third, the consumers of Canada who are losing some $50 million a year because of the access given United States cars and parts into Canada, and who have a right to expect cheaper cars.

Now, the first two calamities have come about, the unemployment and dislocation of the small parts manufacturers. Unfortunately, we have not seen the third effect, which is an improvement in the price of Canadian cars. I think it will be quite a while until we see any improvement in that direction. I regret that both the previous item, with which we dealt, and this one have been brought into the House merely as supplementary estimates. It seems to me we ought to have had legislation so that there would be spelled out on the statute books the precise terms and conditions under which these various plans will operate. Both of them are going to operate on an ad hoc basis, with very little detailed information except what we can collect in this short period when these two items are before the Committee of Supply.

I want to protest most vigorously this method of dealing with such an important question as the dislocation of hundreds of workers in the automobile industry, without any legislation and without any real information as to the kind of plans which the Government has devised in the hope of providing some amelioration during this dislocation period. I wanted to ask the Minister something about the $5 million estimate. Has the Department of Labour or the Department of Industry made any estimate of the total number of workers in the automobile industry who are likely to be unemployed as a result of this agreement? Has the Minister any information as to the average length of time this unemployment is likely to continue? Has the Minister's department made any estimate as to the total amount of money that will be required? Is this $5 million simply a figure pulled out of the air, just as the Minister of Industry did in providing an estimate of assistance to the small parts manufacturers, or is it based on any figure as to how many persons are likely to be unemployed? I should like the Minister to give us some idea of the research that has been done in this field. We want to know whether or not this $5 million is adequate and over what period of time it is likely to be needed.

Mr. MacEachen: I will be frank with the hon. Member and say it is difficult to make any precise estimate because of the pattern of the lay-offs, which is difficult to determine. As an illustration, I may say that the projection of lay-offs by the Ford Motor Company changed at times from week to week. We have attempted to make estimates of the cost, for example, of the Ford lay-off, but they are just as good as the assumptions about the length or duration of the lay-off and the number involved, and these change very quickly.

We have thought that for this year we are likely to be taking care of the situation more than adequately by providing $5 million. It certainly will meet any situation that may arise in this year. A yardstick for a precise forecast as to the pattern of lay-offs is something that cannot be provided, because the automobile companies have not fully determined their plans and the parts companies have not yet fully felt the effects of the automotive agreement.

We are now meeting, through this, the temporary dislocation but we are keeping in mind, of course, as the hon. Member will appreciate the additional benefits to the in-industry and to the economy through this increased production and employment. It is for this reason we thought it reasonable that public funds ought to be spent to assist the workers. I cannot give a more precise estimate than that, for the reasons I have given.

Mr. Douglas: I agree fully with the Minister that public funds ought to be spent to help workers, if this rationalization of the automotive industry is going to benefit the economy as a whole, as we hope it will. Certainly, in that case, the economy as a whole has to make a financial contribution to any of those who are going to suffer economic loss as a result of this rationalization process.

I should like to know to what extent the automobile industry is going to contribute to this. All I have been able to gather from the Minister's remarks is that the automobile industry will only contribute if it chooses to do so, by making payments into the Government fund on the same basis as it would have paid into SUB, which it would be required to do under the collective bargaining agreement. What I have not had clearly explained yet by the Minister is what the Government does in the event the Ford Motor Company decides not to participate. As I understand it, any company which does not have a collective bargaining agreement containing a provision for SUB, then a payment under TAB will be made to those employees. Where a company has a SUB provision in its collective bargaining agreement but does not make payments into the Government fund, what is the position of the workers then? I know the Minister said a short time ago he did not want to be flippant and say this was a hypothetical case, but we have to deal with hypothetical cases. The Government is asking us to approve a sum of money to be spent under certain terms and conditions. We want to know what is going to happen to these workers. It is not really a hypothetical case.

If one may judge by this morning's press, the Ford Motor Company is making somewhat hostile noises about this plan. We are not sure whether or not they are going to co-operate with the Government. I have not been able to understand from what the Minister has said why this plan should not be compulsory. The automobile companies are getting $50 million a year in benefits. The taxpayers of Canada were not asked about this and Parliament was not asked about it. It has been compulsory so far as we are concerned. The workers who are laid off find that it is compulsory for them. Nobody asked them if they wanted to be laid off or wanted this plan approved. I see no reason why the companies should not be required to co-operate by making their SUB payments to the Government fund. I want to ask the Minister, if a company decides to exercise its option and not co-operate, what position will the Government take? What is the position of the workers, because it is the workers about whom I am concerned in this matter?

• (5:00 p.m.)

Mr. Drury: Perhaps I might be permitted to reassure the hon. gentleman that in spite of the newspaper report to which he has referred, I do not believe one needs to contemplate that the Ford Company will not co-operate in this plan. Even in the worst case, an individual worker would qualify either for TAB, as outlined here, or SUB if that is available. If there is no SUB plan then he gets TAB. If he qualifies for and the company does not want to co-operate, then the worker will be able to draw SUB—

Mr. Roxburgh: Five o'clock.

Some hon. Members: Oh, oh.

The Chairman: It being five o'clock it is my duty to leave the Chair so that the House may proceed to the consideration of private Members' business.

Mr. Roxburgh: I just want to say this, Mr. Speaker—

Mr. Deputy Speaker: Order please.

Progress reported.

Mr. McIlraith: I understand that when the legislation comes before the House later today, I hope, the Minister of Industry will be giving an undertaking that the Order in Council designating "designated areas" under clause 2C of the bill will be tabled on the resumption of the session after the summer

recess and be referred to the Standing Committee on Industry, Research and Energy Development. This will present an opportunity to discuss the criteria applicable.

Some hon. Members: Hear, hear.

Mr. McIlraith: This being so, I would ask unanimous consent to forego private Members' hour today and to continue to sit after six o'clock with a view to completing the business of the House—the bill which we have been discussing, Bill C-129—and interim supply, and the supplementary estimates which were under consideration. Then I think there is a question of concurrence in a report of the Internal Economy Commission made some weeks ago. But we would finish the whole thing tonight and then adjourn until Monday, September 27. The form of the motion would be the same as the one used at Christmas.

Mr. Starr: I have only one question to ask of the Leader of the House. It is this. Is he asking for unanimous consent to Bill No. C-129 being given third reading, also?

Mr. McIlraith: Yes.

Mr. Douglas: I wonder whether the President of the Privy Council would agree to setting some limit on the hour to which we might sit? It could always be extended later. It seems to me there should be some limit, say ten o'clock or eleven o'clock. If we find by that time we have not made satisfactory progress it would be necessary to come back on Friday. I am afraid that under the arrangement the hon. gentleman has suggested we might find ourselves sitting until five o'clock or six o'clock in the morning and it seems to me this would be an absurd way of carrying on Government business.

Mr. McIlraith: No. I would hope we need not set any precise hour. I have been trying to canvass hon. Members generally. If at eleven o'clock we find ourselves in difficulty, I am sure the good sense of the House will prevail. This will be a better way of doing things than to set a definite hour at this moment.

Mr. Roxburgh: As the Member responsible for the motion to be discussed during the private Members' hour, I should like to say that I have no intention whatsoever of delaying the recess—none whatsoever. But unless we can reach a unanimous decision to finish tonight I do not intend to give up the private Members' hour. Every time a minor occurrence of some kind or other arises, a move is made to do away with the private Members' hour. Just last week the same thing happened; it was very important for a lot of people to blow off steam, but it did no good as far as the agricultural picture was concerned because the necessary arrangements were set up by the provincial ministers of agriculture and by the federal Minister.

I will say this, and then I will sit down. If we can receive unanimous consent to finishing tonight, I am all for it; and I really mean it. But if not, I reserve my right to speak in the private Members' hour.

Mr. Deputy Speaker: Is it agreed we proceed on the basis suggested by the President of the Privy Council?

Some hon. Members: Agreed.

SUPPLY

The House in Committee of Supply, Mr. Lamoureux in the Chair.

DEPARTMENT OF LABOUR

5c. To extend the purposes of Labour vote 5, main estimates, 1965-66 to include authority for payments of transitional assistance, in accordance with regulations approved by the Governor in Council, to workers in automotive manufacturing and parts industries who become unemployed as a result of the operation of the Canada-United States agreement on automotive products, $5,000,000.

Mr. Douglas: One question following the reply which the Minister of Industry was giving. If I understood him correctly in the case of a firm which does not co-operate and has a contract which includes SUB provisions, the workers it employs will receive only the SUB benefits and not the TAB benefits. It seems to me it is most unfair that workers in one plant will get TAB benefits while those in another will get SUB benefits because employers may refuse to co-operate. I realize the Minister has said this is not likely to happen. Has he had any assurance from the Ford Motor Company of Canada that it will participate in this plan and contribute to TAB along the lines suggested?

Mr. Drury: We are having discussions with the Ford Motor Company and as I said earlier I am satisfied they will have a satisfactory outcome.

Mr. Scott: The Minister of Industry told us that where companies have these SUB benefits in their agreements and a company does not participate, the workers will

take these benefits in place of the other scheme.

• (5:10 p.m.)

My question is: What happens in a case such as I understand exists in Windsor, where of the 500 workers who were laid off a large percentage are not eligible for the SUB benefits because they have not been employed long enough by the company. Therefore you have a situation where, if the Ford Motor Company did not co-operate, they would not be eligible for benefits under the collective agreement. In that case, what provision is made so that these workers will receive the 65 per cent, or whatever the figure works out at, in their particular case?

Mr. Drury: Mr. Chairman, I think the Minister of Labour has made it quite clear that any worker in any company who is not eligible under the collective labour agreement will receive the TAB payments. This is quite regardless of the position taken by the company. If he is not eligible for SUB payments, he will get, as an individual worker, the TAB payments.

Mr. Scott: That will apply even in the case of a company which has a SUB plan and which declines to co-operate?

Mr. Drury: Yes, Mr. Chairman.

The Chairman: Shall this item carry?

Some hon. Members: Carried.

Resolutions reported and concurred in.

WAYS AND MEANS

The House in Committee of Ways and Means—Mr. Lamoureux in the Chair.

The Chairman: Order. House again in Committee of Ways and Means on the following resolution:

Resolved, that towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending 31st March, 1966, the sum of $15,000,000 be granted out of the Consolidated Revenue Fund of Canada.

Shall the resolution carry?

Mr. Churchill: Mr. Chairman, I intend to participate in this discussion on interim supply, with reference chiefly—

Mr. Knowles: This isn't interim supply.

Mr. Churchill: I beg your pardon, Mr. Chairman.

The Chairman: Shall the resolution carry?

Resolution reported and concurred in.

Mr. Gordon thereupon moved for leave to introduce Bill No. C-130, for granting to Her Majesty certain sums of money for the public service of the financial year ending March 31, 1966.

Motion agreed to, bill read the first and second times, considered in committee, reported, read the third time and passed.

SUPPLY

INTERIM SUPPLY

The House resumed, from Tuesday, June 29, consideration in committee of the following resolution—Mr. Gordon—Mr. Lamoureux in the Chair:

Resolved, that a sum not exceeding $1,651,292,282.42, being the aggregate of:

(a) four twelfths of the total of all the items set forth in the main estimates for the fiscal year ending March 31, 1966, laid before the House of Commons at the present session of Parliament, except external affairs item 15, mines and technical surveys item 70; and external affairs item 20 for which the proportion is three twelfths, $1,456,413,323;

(b) an additional four twelfths of the amounts of agriculture items 25 and 45, legislation item 15, and loans, investments and advances item L30 (Schedule A) of the said main estimates, $4,664,625;

(c) an additional two twelfths of the amount of northern affairs and national resources item 15, (Schedule B) of the said main estimates, $2,258,500;

(d) an additional one twelfth of the amounts of agriculture items 5 and 60, fisheries item 10, mines and technical surveys items 10, 15, 25, 45 and 60, national film board item 1, northern affairs and national resources item 45, (Schedule C) of the said main estimates, $9,566,025;

(e) seven twelfths of all the items set forth in the supplementary estimates (b) laid before the House of Commons at the present session of Parliament, $162,394,142.75;

(f) an additional four twelfths of the amounts of agriculture items 17b, 25b and 35b, mines and technical surveys item 70b, and loans, investments and advances item L78b, (Schedule D) of the said supplementary estimates, $7,245,666.67;

(g) an additional three twelfths of the amount of finance item 15b, (Schedule E) of the said supplementary estimates, $8,750,000,

be granted to Her Majesty on account of the fiscal year ending March 31, 1966.

Mr. Churchill: Mr. Chairman, when I rose a few minutes ago I was not paying close enough attention to what you had been saying; I was listening to my advisers. But I will correct that for the future.

On the subject of interim supply I propose dealing with the situation which has come to a head in Canada recently, based on the findings of the Dorion inquiry.

I think this is one of the most serious problems that has faced our country; it is

perhaps the most serious in the history of our country. There may have been other instances in the past when Parliament was disturbed and the country upset over problems within Government circles, but I believe this is the first instance in our history when there appears to have been a creeping encroachment of international crime into high circles in government; and this is cause for alarm among all Canadians. As far as I am concerned, it is the major point of the whole trouble. It was mentioned by the Prime Minister himself last night, rather belatedly, recognizing the fact that, as he put it, we must deal with the sinister and growing involvement of crime in politics.

• (5:20 p.m.)

Before dealing with some of the factors I should like to express my appreciation of the action taken throughout this very difficult and trying period by a man whom I have not met, but whose name has been mentioned here, at the inquiry and in the papers, Mr. Pierre Lamontagne, the lawyer in Montreal. I think he has shown, under extraordinarily difficult circumstances, a devotion to duty and to the cause of justice that is highly creditable. The pressure that he was subjected to, as appears from a reading of the report of Mr. Justice Dorion, is an indication that only a man of sterling qualities could have resisted that pressure. He is a credit to his profession and a credit to Canada.

I quote from page 99 of the report, just to indicate the pressure he was under in the opinion of Mr. Justice Dorion:

> It none the less becomes perfectly clear that this intervention by Mr. Letendre—

Who occupied a very prominent position as Executive Assistant—

> —greatly contributed to heighten the impression on Mr. Lamontagne's mind that influential persons responsible for the government of this country were concerting their efforts to lead him to agree to the release of Lucien Rivard on bail.

You could not gain any other impression if you read the record of the constant telephone calls, interviews and suggestions—suggestions that people high up in the Government were concerned with Mr. Lucien Rivard. And Mr. Lamontagne resisted those pressures.

I want to pay my compliment to the hon. Member for Yukon who brought this matter to the attention of the House of Commons and to the public of Canada. I was present in the House on November 23, 24 and 25 last year when the hon. Member raised the issue, and I recall very well how he asked the

[Mr. Churchill.]

Minister of Justice of that day to take certain appropriate action. As reported at page 10386 of *Hansard* for November 23, the hon. Member for Yukon, in summing up his presentation, said this, and these words, I think, deserve quoting again:

> This is the extent of the message that I am trying to get across to committee members, and I say that it is an indictment of the actions of the minister that he has not referred this matter to the proper law officers of the crown, to whom it should have been referred, to obtain their opinion. It is an indictment of the minister to have acted with the commissioner of the R.C.M.P. in a judicial capacity, which is not his function. This is what we have courts for, and I say that it is an indictment of the activity of the minister in making the decision that he did, shelving the matter.

At page 135 of the report of Mr. Justice Dorion are to be found these words:

> Considering that he was called upon to hand down a quasi-judicial decision;
>
> The Honourable the Minister of Justice, before reaching a decision, should have submitted the case to the legal advisers within his Department with instructions to complete the search for facts if necessary and secured their views upon the possible perpetration of a criminal offence by one or several of the persons involved.

The vindication of the hon. Member for Yukon is complete. He did on that occasion what I hope any hon. Member would do under similar circumstances—he disclosed a situation that required cleaning up. He took his chance in this House, as many people have to do when they deal with topics which are unpopular at the time, but he had the courage of his convictions, laid the case before the House of Commons, endured the cries from the other side of "Smear", "Innuendo" and "McCarthyism", and endured for the last seven months a type of persecution which has been carried on with people connected with Government circles. But now his actions have been completely vindicated.

This is the type of service for one's country that deserves commendation, because, Mr. Chairman, in the background of all this is a narcotics case. There is nobody in this country who has not a horror of the dope peddling which goes on. We are aware of the ruination of young lives that results from this terrible traffic. This is the shadow which was cast over the whole investigation and over the whole problem—the shadow of drug peddling, of narcotics, that carries with it the destruction of human lives. That destruction starts, as we have read so many times in newspapers and in magazine articles, with our younger people.

In the course of the debate yesterday, Mr. Chairman, some Members who participated were critical of the Royal Canadian Mounted Police, and no defence of that magnificent body has come from Government circles. We asked for it at different times during the last several months. The former Minister of Justice did not defend that force in this House. The Prime Minister at some time or other must express his opinion of that body because this is a body in which Canada has justly taken pride for generations. I do not know of any police force in the world that is held in higher regard generally than the Royal Canadian Mounted Police. During the course of my lifetime I have had occasion, as have thousands of Canadians, to rejoice in the fact that we have such a superior body of people devoting their lives to law enforcement. The Government of this country should stand behind the Royal Canadian Mounted Police and deal with the critics who from time to time attempt to downgrade that body of devoted servants of Canada.

Now, Mr. Chairman, my remarks this afternoon will be made with or without the presence of the Prime Minister. I regret that he is unable perhaps to be in the Chamber today but I cannot choose the time when I speak to fit in with his presence here. The Prime Minister, in my opinion, is the central figure on whose shoulders rests the responsibility for the problem that has faced us for several months, and which has yet in some parts to be resolved. I am not implicating him in any charge of smuggling narcotics, but I place squarely on the Prime Minister's shoulders the responsibility for not taking adequate steps earlier to deal with the circumstances in Government circles and within his party which have caused disturbances in the minds of Canadians regarding Parliament as a whole. This lack of action has caused a loss in confidence in the Government of this country and has created a lack of confidence in the Department of Justice and in law enforcement in Canada. No one who pauses to think for a moment about this sordid affair can be anything but distressed by the fact that the Prime Minister did not take some earlier action.

• (5:30 p.m.)

Last evening I heard the Prime Minister on television, or perhaps it was on radio this morning, make the following statement, and I know the first few words are accurate but I am not sure about the concluding words: "When it appeared last fall that an inquiry should be held", we arranged for that to be done. This situation did not just appear on the horizon. The matter was discussed in the House of Commons and the Prime Minister woke up to the fact that he and his Ministers had not been active during the weeks and months that preceded that disclosure.

Had it not been for this disclosure in November, what might have happened? Would all of this sordid business have been swept under the rug, hushed up and kept quiet? Would the Canadian people never have heard about the activities of the then Parliamentary Secretary to the Prime Minister, the activities of an executive assistant and the activities of a special assistant—people who were close to the Ministers of the Crown? Would all of this have been concealed?

The Prime Minister, speaking outside the House, said that last fall when it appeared that an inquiry was necessary he took action. He tried to create the impression that he was vigorous in seizing this matter when it was brought to his attention. It was brought to his attention much earlier than November 23. The hon. Member for Calgary North on November 24 asked two or three questions of the Prime Minister as to when he had been informed of this particular problem, to which some rather evasive answers were given. At page 10429 of *Hansard* one will find the following recorded:

> Mr. Harkness: Mr. Speaker, the Prime Minister's answer touched upon the ambiguity I mentioned, which was the reason for my question. When the Prime Minister said he was informed before the minister's estimates were put before the house, does he mean he was informed yesterday or a week ago? When was he informed?
>
> Mr. Pearson: Mr. Speaker, I think I was informed on the day before his estimates were brought before the house.

We have heard quite a lot about the selective amnesia of the Prime Minister, but we know now from the record, as a result of his sudden recollection of events and his letter to Mr. Justice Dorion, that he had been informed as far back as September 2. When it appeared to the Prime Minister, if I may use his words, on September 2 that there was trouble within high circles of Government, why did he not take immediate action? Why did he postpone taking action? Was he a party to the covering-up job? This is a serious question.

Mr. Pickersgill: Mr. Chairman, would the hon. gentleman permit me to ask him a question?

Mr. Churchill: Go ahead.

Mr. Pickersgill: I know the hon. Member is talking about a judicial matter and wants to be exceedingly fair. Would the hon. gentleman tell us what it is he understands the Prime Minister was informed of on September 2? Was it not merely that Mr. Denis, an executive assistant to one of his colleagues, was accused of offering a bribe and that this matter was under investigation?

Mr. Churchill: Mr. Chairman, I will read from the report at page 122, and I might say that I have read the entire report. Perhaps the Minister of Transport has not read it. At page 122 of the Dorion report the following is stated:

> It was only on September 2, during the plane trip from Charlottetown to Ottawa, that the Minister of Justice informed the Prime Minister that his Parliamentary Secretary was involved in the Rivard case and supposed to have brought pressures on to the Counsel for the United States Government to incite him to agree to bail being granted to Lucien Rivard.

Mr. Pickersgill: I should like to ask the hon. gentleman one more question. The hon. gentleman has said that he has read the report. Did the hon. gentleman read the evidence, because I think if he had he would recall that no evidence to that effect was given at the hearing, but that evidence to the contrary was given by the Minister of Justice. I am sure he will recall that evidence to the contrary was given in this House by the Prime Minister.

Some hon. Members: Oh, oh.

Mr. Churchill: That is a most remarkable intervention on the part of the Minister of Transport. I read from the report of Mr. Justice Dorion. Is the Minister of Transport now finding fault with that report?

Mr. Pickersgill: Mr. Chairman, I rise on a question of privilege and it is this. I am not quarrelling at all with the report, as the hon. gentleman has suggested, and I do not want to get into a quarrel with him. I am sure both of us want to be fair. All I am saying is that even the Chief Justice might conceivably have been mistaken as to a statement of fact, and all of us in this House do know that the evidence on this point was all in the opposite direction. We all know there was not one tittle of evidence produced anywhere to support that statement.

Mr. Churchill: Mr. Chairman, I hope you will make allowances for the time taken up by these interruptions.

[Mr. Pickersgill.]

The Minister of Transport now wishes us to refer to the evidence. That is what Mr. Justice Dorion has done. He heard the evidence and he has re-read it, and now through this report he has given us his findings and conclusions. This document has been tabled in the House of Commons for the information of the people of Canada, and are we not now to place any reliance on it? I certainly place reliance on this document, which I think is a fine piece of work. I have confidence in this judge, who I am sure during this long inquiry used the greatest possible care, as he did in reporting his findings.

Mr. Starr: He knows more about it than any of you fellows.

Mr. Churchill: I am sure the judge used great care in preparing his findings for presentation to this House and to the people of Canada. This is a fine summation of the case.

Mr. Pickersgill: I wonder whether the hon. gentleman would permit me to ask one more question.

Some hon. Members: No.

Mr. Churchill: I do not mind answering a question.

Mr. Pickersgill: Does the hon. gentleman agree with Mr. Justice Dorion's conclusions about the R.C.M.P.?

Mr. Starr: That certainly is a smart question.

• (5:40 p.m.)

Mr. Churchill: I will answer the question, but perhaps the Minister will rise in a minute and apologize to the House for shouting "smear" last November when the hon. Member for Yukon raised this matter.

Mr. Starr: He has not got enough backbone to do that.

Mr. Churchill: With regard to the question asked me by the Minister of Transport, the master of red herrings, of course I accept Mr. Justice Dorion's criticisms and conclusions with respect to certain actions of the Royal Canadian Mounted Police. But I would say to the Minister of Transport that no police force was more restricted in its operations than that force was when it started and continued its inquiries. Mr. Justice Dorion's report indicates that the police started their inquiries, were then pulled back and restricted, then allowed to proceed and then pulled back again. If we had the full story of what transpired between members of that force and the Ministers of the Crown we

might have another scandal to disclose to the people of Canada, because that force certainly had imposed on it the making of a restricted inquiry.

In order to satisfy my diversionary friend across the way, my friend on some occasions but not always, I would refer to page 10388 of *Hansard* for November 23, 1964 where the following interjection while the hon. Member for Yukon was speaking is recorded:

Mr. Pickersgill: More smears.

That is what I said the Minister said. He shouted it and he should now apologize to the House.

Mr. Pickersgill: Would the hon. gentleman read the context, because surely it is a little unfair to read that phrase without knowing to what it was applied?

Mr. Churchill: The Minister of Transport can make his own speech. When he does I will give him the assistance he has been giving me. Let me go on. I want to deal with what the Prime Minister has been saying. The Prime Minister now says "We must deal with the sinister and growing involvement of crime in politics".

Mr. Starr: He means Liberal politics.

Mr. Churchill: As found on page 10429 of *Hansard* for November 24, 1963 the hon. Member for Yukon asked that that be done, and here I quote the hon. Member:

—will he perhaps appoint some other body, such as a royal commission, to investigate not only the matters referred to by the Minister of Justice but other matters specifically related to the possibility of international crime organizations having infiltrated other offices of cabinet ministers of the government?

Here is the reply of the Prime Minister:

Mr. Speaker, that is a very different matter which is far reaching and would involve a great deal of consideration and discussion. If there is any evidence to support the very serious statement made by my hon. friend perhaps he will produce that evidence, and the necessary steps will be taken.

The evidence has been produced by Mr. Justice Dorion's Commission. Is the Prime Minister now prepared to take the necessary steps? Seven and a half months have gone by. He said that much consideration was required.

On April 13 the hon. Member for Cumberland raised the same issue and asked for a Royal Commission to investigate the infiltration of international crime into high circles within government. The Prime Minister now says, "We must deal with the sinister and growing involvement of crime in politics". He has certainly got to deal with it and he has to deal with it soon. There is no question that he has to clean house and not just play musical chairs. I think he will also have to have some second thoughts with regard to his party. Throughout the Dorion Commission report there are at least 20 statements with regard to contributions to party election funds.

Mr. Nielsen: Liberal party funds.

Mr. Churchill: You will find mention of the secretary-treasurer, I think it is, of the Liberal organization whose name was on a file and who apparently asked that he be kept informed about the Stonehill case. Throughout the report, page after page, you will find references to party funds, Rivard, the good friend of the party, help in election campaigns, contributions, $60,000 reported to have been available if Rivard had got bail.

These things put the Liberal party once again in the valley of humiliation where they were after the scandals of the late 1920's. What has happened to this great party that it can count narcotic peddlers among its friends? What goes on in the higher circles of the Liberal party? When the name of Rivard was mentioned by executive assistants and Parliamentary Secretaries to the Prime Minister himself and to the former Minister of Justice, did that name of Rivard mean nothing to these gentlemen? Of course it did. They knew who he was, a peddler of narcotics and reputed to be the friend of the Liberal party.

We have reached a sad state of affairs. There is lack of action by the Prime Minister. Where was he in November and December when the Royal Commission was set up and we were discussing this matter in the House? Away on an electioneering campaign instead of doing his duty here. The Prime Minister promises now to take action. He depicts himself on the television screen as a man of action. What action has he taken? All he gave us yesterday was a very short statement with regard to the resignation of the Minister of Justice. But then he says to the general public on television, "We must deal with the sinister and growing involvement of crime in politics".

Why did he not deal with it in September of 1964 when the name of Rivard came up and when he discovered later, after his memory had assisted him, that some of the people very close to him were involved with this man? We have had a whole galaxy of people

of the underworld mixed up in this case. This, Sir, is one of the most critical situations that has faced any government of this country. It is a very critical situation for Canada. I think it is deplorable that we have reached the stage in this country that we have to have a judicial inquiry which comes up with findings that international crime has infiltrated into high circles of the Government.

The man who can take action is the Prime Minister, but he is not a man of action. He will just shift and sway and, as I have said on more than one occasion, make statements in the House on which I am not able to place complete reliance. Why did the Prime Minister not indicate immediate action today with regard to some of these incidents? Why did he not say that he was going to clean house in so far as his party is concerned? Why did he not say there will be no more mixing with peddlers of dope, no more connection between the great Liberal party of this country and these international gangsters? One draws the conclusion from reading page after page of this report that something is being done for Lucien Rivard because he is a party supporter, and there may be some money available to assist the party in the next election.

• **(5:50 p.m.)**

Surely, the Prime Minister and his Ministers were not unaware of these undercurrents within the ranks of their assistants. I hope they are aware now that they must take precautions. I call upon the Prime Minister to announce a plan to cure this sore which is besetting the Government of this country and which is damaging the political life of this country, which is damaging this institution of Parliament. Unless there can be confidence in the Government of the country, what hope is there for Canada?

Mr. Brewin: Mr. Chairman, I, as well as all other Members in the House, am extremely interested in the subject raised by the hon. Member for Winnipeg South Centre. It may be that some of our party will have something to say about it later. I had the opportunity to mention the subject last night when I was probably in a more charitable mood. I do not propose to take any more time on that subject and I shall leave it to other Members to discuss the subject of the Dorion Commission report.

I want to intervene to move the matters under discussion to something that may appear to many Members of the House far less interesting and dramatic, and I am inclined to think it is less interesting and dramatic a subject. However, I believe it is a subject that has to be mentioned in this debate because it is a matter of considerable constitutional importance and a matter which the Government ought to have brought before this House by way of resolution. I refer to the proposed amendment of the British North America Act to add a new Section 71A, reducing the powers of the Legislative Council of Quebec.

Members of this Committee will not need to be reminded that under the terms of the British North America Act, Section 92, the right to amend the constitution of a province is clearly given to the provincial legislature. If the Quebec legislature had acted, therefore, the matter would not be one which concerned this Parliament in any way at all. However, the Quebec legislature has not acted. Section 71 of the British North America Act clearly sets out that the Legislature of Quebec consists of two houses, one styled the Legislative Assembly and the other styled the Legislative Council. The Legislative Assembly recently passed an Act called the Quebec Parliament Act, which provided in effect that any money bill passed by the Legislative Assembly may go into effect one month after its passing, even if the Legislative Council has not accepted it. Bills, other than money bills, can go into effect after a longer period of delay if passed by the Legislative Assembly, without any regard whatever to the Legislative Council. In this matter, the council was willing to accept the restriction of its power, the clipping of its wings, except in two cases, one relating to the rights of minorities and the other where the constitution of either Canada or of the provinces was being dealt with.

Now, Mr. Chairman, these suggested compromises were not accepted by the Legislative Assembly of Quebec. The Lieutenant Governor of Quebec, therefore, at the instance no doubt of the cabinet of that province has transmitted to the Governor General an address seeking an amendment to the British North America Act, and asked that it be forwarded to the Queen for eventual passage by the Parliament of the United Kingdom. This takes the form of an amendment to the British North America Act, and the then Acting Prime Minister, the Secretary of State for External Affairs, told us on June 16 that this was being forwarded with the advice that action be taken on it.

Now, Mr. Chairman, in our view there are very serious and erroneous precedents

being established by this course of action. It is very clearly set forth in the White Paper that was filed by the Government itself just a few weeks ago relating to the amendment of the Constitution of Canada. This is a survey of the whole matter and was made under the direction of Hon. Guy Favreau, Minister of Justice, and dated February, 1965. At page 15 two principles were stated. I quote:

> The first general principle that emerges in the foregoing résumé is that although an enactment by the United Kingdom is necessary to amend the British North America Act, such action is taken only upon formal request from Canada. No act of the United Kingdom parliament affecting Canada is therefore passed unless it is requested and consented to by Canada. Conversely, every amendment requested by Canada in the past has been enacted.

I ask the House to note the second general principle which is stated here, and I quote:

> The second general principle is that the sanction of Parliament is required for a request to the British Parliament for an amendment to the British North America Act. This principle—

This is referring to the sanction of Parliament.

> —was established early in the history of Canada's constitutional amendments, and has not been violated since 1895. The procedure invariably is to seek amendments by a joint address of the Canadian House of Commons and Senate to the Crown.

There you have it, Mr. Chairman. In a statement put out by the Minister of Justice just a matter of three or four months ago reviewing this whole matter, it is stated with the utmost clarity that the principle that you only do this with the consent of Parliament has not been violated since 1895. Now, without any reference to this House whatever, it is proposed that we violate a principle that has been established and set out in this clear way.

Mr. Martin (Essex East): May I ask my hon. friend a question? Will he not agree that that resolution, which I think was passed in 1871, was passed in respect of a situation altogether different from the situation now before us? It had to do with the provinces and the Parliament of Canada. This is a situation that was not envisaged by that resolution.

Mr. Brewin: As a matter of fact, Mr. Chairman, I was just going to answer that very point, which has been made by the Minister, because he made it before. Before I come to what I was going to say, however, may I give this by way of answer? According to page 15 of the Government's statement, from which I have just read, they were referring to general principles, and those general principles were that the sanction of Parliament was required in requesting these amendments. There is no limitation whatever suggested in that statement. A principle had been established, and had not been violated since 1895. The procedure was invariably to seek amendments by a joint address of the Canadian House of Commons and Senate to the Crown.

I admit, of course, that there are differences in different cases; but this is a general principle, and I suggest a sound principle, that there be no amendment to the Constitution of Canada passed without submission to and approval of this Parliament. I know that the Secretary of State for External Affairs took the view before, as he suggested in his question, that this statement of principle is not applicable. He says that the matter only affects the Province of Quebec. But, Mr. Chairman, on the face of it that is not a correct statement. When an amendment is sought to the British North America Act it requires the intervention and advice of the federal executive, and the Parliament of Canada is involved. A very dangerous precedent is set when amendments to the Constitution of Canada are made on the request of the executive alone.

Now, Mr. Chairman, as most Members of the House will be aware, we in this party have no brief at all for second, non-elected chambers. We indeed, have made our views clear a number of times, even in this session when we were discussing the other place and what we thought of its position in the constitutional set-up. However, I want to suggest to this House that constitutions are of fundamental importance and should not be changed by methods of dubious legality and dubious constitutionality. Constitutions are not the possession of an elected assembly alone, subject to immediate change at the request of an executive. In our view the constitution primarily belongs to the people, and we believe the people of Quebec have the right to be consulted.

• (6:00 p.m.)

Nor can it be overlooked that the apparent reason for the rushing through of this amendment by reason of arrangements privately negotiated between the right hon. Prime Minister and the Premier of Quebec is, no doubt, that the Legislative Council stands as a barrier to the early enactment of the constitutional amending formula now known as the Fulton-Favreau formula.

I do not intend to repeat here the arguments for the view that the enactment of this

formula would impose a serious and perhaps fatal barrier to any changes in the Constitution of Canada, which the present dynamic needs of Canada require. It may well be that the people of Quebec will desire to have the powers of the Legislative Council emasculated or the Council totally abolished. It is quite a different thing, however, when the necessary constitutional amendments are to be rushed through without consultation with the people, without adequate discussion in Parliament, and for the purpose of fixing on the people of Canada a disastrous constitutional strait-jacket. It seems to me that for the sake of expediency, and political expediency at that, the course of constitutionality and legality—and indeed of Parliamentary control—is being abandoned in indecent haste. I think this Parliament should resent the way in which something as important as an amendment to our Constitution has been rushed through without even asking Parliament's approval.

In stating my view I should like it to be noted that I am repeating what has already been said by the provincial council of the New Democratic Party of Quebec. Although it made clear its opposition to non-elected legislative bodies, including the Senate of Canada and the Legislative Council of Quebec, it expressed profound disquiet as to the method adopted by the Lesage Government in the absence of consultation with the people of that province. I should like to express our profound disquiet with regard to this proposed amendment—it is true it comes from the Province of Quebec—which is to be forwarded to the Queen, presumably to be placed before her advisers in the United Kingdom. We regret, too, that instead of bringing this matter forward in the first instance so that it could be debated on a proper resolution, the Government should have chosen another course, making it necessary for us to deal with this important subject on a supply motion in the dying days of a session.

Mr. Martin (Essex East): Would the hon. Member not agree that the matter in question involves an amendment to the constitution; the advice which the executive will give to Her Majesty will be to the effect that the matter in question involves an amendment to the constitution of Quebec and is of concern to that province only—not to this Parliament, not to the laws of Canada but only to the Province of Quebec? Would the hon. gentleman not agree that, to use the language of Hodges *v.* The Queen, this is "purely a local matter"?

[Mr. Brewin.]

Mr. Brewin: No, I certainly do not agree with the interpretation placed on this matter by the Secretary of State for External Affairs. It could have concerned the Province of Quebec solely if the legislature of that province had been able to act. I would say that had the people of Quebec been consulted, I, for one, would have been ready to put the stamp of approval on it within this Parliament. But I do not think there is any constitutional correctness in the course which has been adopted by the Cabinet or the executive of this Parliament in sending this thing forward. After all, the Cabinet did receive a petition from a current legislative body, the Legislative Council, not to send it forward. I say Members opposite have interfered in the affairs of Quebec by the course they have taken, and I regret they have done so.

Mr. Patterson: Had the circumstances been different I would have dealt at greater length with the subjects I am now about to raise. I will now refer to them briefly in the hope that during the recess the Government will give these matters consideration and come forward with a solution to them.

I wish to speak of one or two matters concerning veterans affairs. The first concerns disability pensions. We all know that some time ago representations were made to the department regarding the necessity for substantial increases in disability pensions. Veterans look forward to something definite in this regard. The organizations speaking on their behalf expected that the Minister would bring in recommendations resulting in substantial upward revision of these pensions. However, some time ago the hon. gentleman rose to say there would be 10 per cent increase in these pensions.

Reactions on the part of veterans generally and the organizations representing them were critical of this announcement, and the reason is easy to recognize. It is disgraceful that some of these men should have to get by on the very small pensions they are receiving. Since this subject has been raised on a number of occasions, and representations have been made to the Minister of Veterans Affairs concerning it, I trust that during the next few months the whole matter will be considered most carefully—that the whole scheme of disability pensions will be thoroughly analysed and that the Department will come forward at an early

date with recommendations which will substantially improve the financial condition of those who are now receiving disability benefits.

There is one other matter I wish to deal with. It is the situation existing in the Shaughnessy Hospital, Vancouver, with respect to the rates of pay of nursing orderlies. I will not go into detail; the Minister is familiar with the situation. A short time ago, after I had asked a question in the House, the Minister appeared to have found a solution to this problem. He repeated a statement he had made earlier to the effect that the matter was under consideration. I believe the time has come for a definite solution to be found. I believe those working in the Shaughnessy Hospital should receive incomes comparable with those received by people working in other similar institutions in the City of Vancouver. At the present time I understand there is a wide differential in these rates of pay received by nursing orderlies in the Shaughnessy Hospital as compared with their counterparts in other institutions in the city. The problem is so acute, now, that there is a real danger of deterioration in the standard of care which is given to the veterans in this institution. Not long ago I received a clipping—I do not have it here at this moment —outlining the danger which veterans are facing in this institution because the staff is shorthanded, orderlies are leaving, and new ones are being brought in constantly. All this is jeopardizing the care which our veterans are justified in expecting at this hospital.

• (6:10 p.m.)

I am not saying anything about the type of care that is being given to the full limits of the capacity of those who are engaged there; but because of these situations they are not able to cope with the problem and continue the high standard of care that is expected and desired. I notice that the Parliamentary Secretary to the Minister of Veterans Affairs is here, and I hope he will convey to the Minister these particular problems and bring them to his attention once again with a view to having this situation rectified.

The other matter to which I want to call attention once again concerns superannuated civil servants. Here again is a matter that has been referred to many times and the Minister of Justice knows all about the problem.

Mr. Knowles: He ought to.

Mr. Patterson: The hon. Member for Winnipeg North Centre said, "He ought to know", and I appreciate the fact that this hon. Member has made representations on this matter on many occasions, and others of us have done likewise. I think it is pathetic that some of the superannuated civil servants are expected to get by on the pittance they are now receiving. I know that many excuses are given. One excuse that is given, for instance, is that many of them are benefiting by other general legislation that has been passed, and so on. But I do not believe this should affect the pension that should be received by superannuated civil servants.

Many of these people have given long years of public service; they have served admirably in the public service of this country. Now they are eking out a bare existence, and I feel that the Government, if it would, could find some way of providing more adequate pensions to those who have been on pension for some time and are still receiving such a pitiful amount in this respect. Mr. Chairman, I would ask the Minister of Finance once again to consider this whole matter. I suppose he would say it is constantly under review. Perhaps that is the trouble; it is constantly under review but very little is being done about it. I would ask, in the closing hours of this session, that once again the Minister give attention to this particular problem and try to do something to assist those who are suffering because of the inadequate pension they have received throughout the years.

Mr. Cowan: Mr. Chairman, at this time when we are considering the granting of four months supply to the Government, rather than considering the annual appropriation of funds, there are two points I would like to raise in the closing moments of this session. It is three years ago this month that I was first elected to the Parliament of Canada, and this is the third time I have been placed in the position of speaking on matters of national importance on the day Parliament is going to adjourn. The timing of the debates and the timing of discussions on national expenditures could, believe me, be better arranged than I have witnessed during these three years.

I believe that every Member of the House is aware of the fact that I could not support the legislation with regard to the printing of bogus Canadian editions in this country. I stated publicly that I could not support the legislation because it granted exemptions to

Time and *Reader's Digest*. I not only made that statement a week ago today, but I have held that stand since the O'Leary report came down in 1961. In speaking on this point I would like to congratulate the Minister of Finance because he listened to my arguments that there should not be any exemptions in that publications legislation, and when introducing amendments to the Bank Act—

The Chairman: Order, please. I should remind the hon. Member—if he will resume his seat—that he cannot revive a matter on which there has been a decision of the House. I assume that the words he has just spoken were by way of introduction of another subject. But certainly the rules of the House do not allow an hon. Member to discuss a matter upon which there has been a resolution of this House.

Mr. Cowan: Mr. Chairman, my remarks were certainly by way of introduction, because I intend to refer to the proposed amendments to the Bank Act, which have been referred for committee study and I understand will receive consideration by the committee even before this House resumes the session in the fall. I was referring to the introduction of the amendments to the Bank Act. On May 18 the Minister stated:

> Before leaving the matter of ownership and control of banking, I should like to point out that there would be very serious implications for Canada if foreign owned banks or their agencies were free to do any substantial volume of banking in this country.

I want to congratulate the Minister of Finance, and I do it now, for not allowing any exemptions in the amendments to the Bank Act to allow foreigners to get into our banking world. I will not refer to the other field, Mr. Chairman, because I understand it has been closed to me for discussion; but if do not know the name of the other field to which I am referring, I will tell you out in the corridor later on.

Some hon. Members: Explain.

Mr. Cowan: Why there should be no exemption in some industries, and a wide-open exemption in another industry of which I know a bit and of which industry I am very fond, I do not know. But I extend congratulations to the Minister on not giving exemptions in the Bank Act even to a bank which has been established for 13 years in this country and is under foreign ownership. I have always worked on the basis that what is sauce for the goose is sauce for the gander, but obviously this principle does not hold water in some sections of Canada, even though I believe it is true, true, true.

The other matter I wish to refer to has to do with the pensions of certain R.C.M.P. officers. I was born in the City of Ottawa; I am a Canadian through and through, and I never thought I would live to see the day when the Royal Canadian Mounted Police would be publicly criticized in the Parliament of this nation by Members of the House of Commons, as was done yesterday evening.

Some hon. Members: Hear, hear.

Mr. Cowan: I make no comment on the Dorion report in any manner, shape or form. That Commission was appointed by the Liberal Government of which I am a supporter—

Some hon. Members: Oh, oh.

Mr. Cowan: —and I have no comment on Mr. Justice Dorion. But when I find Members of Parliament standing up and criticizing the Royal Canadian Mounted Police, it provokes me no end. I believe that if the Royal Canadian Mounted Police had less political interference there would be higher morale in the entire force, from the Commissioner down.

I specifically wish to refer to two former members of the force, Chief Superintendent René Jean Bélec and Sub-Inspector Joseph Hosanna Maurice Poitras. I have in my hands the Royal Canadian Mounted Police Act, the Royal Canadian Mounted Police Superannuation Act and the Royal Canadian Mounted Police Pension Continuation Act, which I have studied at length and in some detail previously. In examining the operation of the Pension Act of the Royal Canadian Mounted Police you will find in section 27 these words, that any pension "shall be granted only in consideration of good and faithful service during the period in respect of which it is calculated". I draw that to your attention, Mr. Chairman. I will make further reference to it later. Then in Section 44 of the R.C.M.P. Pension Act you read this:

> An officer who is retired compulsorily for any cause other than misconduct or inefficiency after ten years' service, is entitled to a pension for life—

And so on. Notice the phrase, "An officer who is retired compulsorily for any cause other than misconduct or inefficiency". If he is retired for misconduct or inefficiency, he can worry about his future; there will be no pension for him. But it says, "An officer who is retired compulsorily for any cause other than misconduct or inefficiency". So what

happens to Chief Superintendent René Jean Bélec and Sub-Inspector Joseph Hosanna Maurice Poitras? We have never been given the facts about these two former officers of the Royal Canadian Mounted Police, both of whom were stationed in Montreal. I am told that René Jean Bélec was the highest ranking officer in the Quebec division of the R.C.M. Police. I am told that Sub-Inspector Joseph Hosanna Maurice Poitras was in charge of drug investigations and rode herd over all the drug investigators of the R.C.M.P. during the last few months of his service with the R.C.M.P. But for causes never made known to the people of Canada the two of them were placed on the shelf for a while last fall. Interestingly enough it was during the fall that these accusations about drug peddling came to the fore. But they were not retired, they were just placed on the shelf, early in September, I believe.

• (6:20 p.m.)

I have in my hand what is certified to be a true copy of a minute of a meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on December 8, 1964. It says:

The Committee of the Privy Council, on the recommendation of the Minister of Justice, advise that Chief Superintendent René John Bélec of the Royal Canadian Mounted Police, promoted to that rank effective October 1, 1963 by Order in Council P.C. 1963 31/1477 of 10th October, 1963, be compulsorily retired from the Force to promote efficiency.

"To promote efficiency" is not a phrase used in the R.C.M.P. Superannuation Act. The Superannuation Act refers to "an officer who is retired compulsorily for any cause other than misconduct or inefficiency". So here is a cause other than misconduct or inefficiency, the cause being "to promote efficiency."

We are told that there were defalcations of public moneys, or the false administration of public moneys, by these two men while officers of the R.C.M.P. We are not told this officially, we have to pick it up. But we are not given any open reason why these two men were retired.

The second order in council is the same date, and is certified to be a true copy of a minute of a meeting of the Committee of the Privy Council. It says:

The Committee of the Privy Council, on the recommendation of the Minister of Justice, advise that Sub-Inspector Joseph Hosanna Maurice Poitras of the Royal Canadian Mounted Police, promoted to that rank effective October 15th, 1963 by Order in Council P.C. 1963-28-1547 of 24th October, 1963, be compulsorily retired from the Force to promote efficiency.

I say there is something very peculiar when the words of the Royal Canadian Mounted Police Superannuation Act are not followed to the letter. We are asked to observe the letter of the law. We appoint judges to the bench and employ police forces to get people to observe the letter of the law. Why not observe the letter of the law here instead of passing orders in council that give reasons for retiring people so that they can enjoy pensions which, if they were retired compulsorily for misconduct or inefficiency, would be withheld from them?

I also have a document which indicates why they were struck off strength, shall I say. The hon. Member for Fraser Valley talked of poor pensions for certain classes of people. This does not include former Chief Superintendent Bélec, because I have here an order in council relating to him. This is certified to be a true copy of a minute of a meeting of the Treasury Board, approved by His Excellency the Governor General in Council, on February 11, 1965. I point out this is the first opportunity I have had to speak on this matter. This Order in Council states:

Royal Canadian Mounted Police

The Board recommends as follows:

Chief Superintendent René John Bélec, who was compulsorily retired from the Royal Canadian Mounted Police Force to promote efficiency on December 8, 1964, be granted, pursuant to sections 27(1) and 44 of the Royal Canadian Mounted Police Pension Continuation Act, a pension of $6,624.00 per annum, based on his good and faithful service in the Royal Canadian Mounted Police Force from June 27, 1933 to December 1957 and effective December 9, 1964.

With regard to Mr. Poitras, this gentleman really has a pension which strikes me as a "beaut". I hold in my hand an Order in Council dated February 11, 1965 which reads as follows:

Sub-Inspector Joseph Hosanna Maurice Poitras, who was compulsorily retired from the Royal Canadian Mounted Police Force to promote efficiency—

You see how they get around the words of the Royal Canadian Mounted Police Superannuation Act.

—on December 8, 1964, be paid, under the provisions of Section 10(3) of the Royal Canadian Mounted Police Superannuation Act, an immediate annuity at the rate of $1,562.80 per annum from December 9, 1964, until such date as he attains the age of 65 years and thereafter at the rate of $1,953.50 per annum.

So he gets an increase of almost $400 a year when he turns 65 through this pension which was forced on him to promote the efficiency of the force, effective December 8,

1964. I say to you that in private industry and in other Departments of Government former employees are not treated in this manner or anything like it.

Last February there was brought down a return in reply to a question asked by the hon. Member for Skeena (Mr. Howard). The number of the question was 2,603 and the heading in *Hansard* is "Criminal charges, Indian Affairs employees". The hon. Member asked:

> Since January 1, 1952 has any employee, or former employee, of the Indian affairs branch been charged with contravening any of the provisions of the Criminal Code or any other federal statute and, if so, with respect to each such person by name what was (a) his position with the branch at the time the alleged offence took place (b) the nature of the alleged offence and, if any money was involved, the amount thereof and the details about it (c) the amount of restitution of any stolen or misappropriated money—

The answer takes up the entire page 11684 of *Hansard* for February 24 and shows eight cases in which people had misappropriated funds in the Indian Affairs Branch, and what their fate was. They are not identified by name, I am happy to say, because I do not wish to use their names. The former superintendent of an Indian agency, Ontario, misappropriated government funds in the amount of $5,894, paid it all back, and he resigned. A former clerk at an Indian agency, Ontario, misappropriated government funds in the amount of $1,330, paid it all back and he resigned. The former superintendent, Indian agency, Quebec, misappropriated property to the value of $1,355 and he was dismissed on October 15, 1958. Why could he not have been compulsorily retired so that he could promote efficiency in the Indian Affairs Branch of the Department?

A former clerk, Indian agency, Saskatchewan, for being short in departmental receipts to the extent of $173.62, was dismissed on August 28, 1957. I think that he too should have been compulsorily retired so that he could promote the efficiency of the Indian Affairs Branch of the Department of the Government, and given a pension. The former superintendent of an Indian agency, Manitoba, misappropriated Government funds in the amount of $3,250.25, which he paid back, being dismissed on August 28, 1957. A former clerk, Indian agency, New Brunswick, misappropriated building materials and committed cheque forgeries in the amount of $897.46, paid it all back, and was dismissed on April 1, 1963. A former superintendent, Indian Agency, British Columbia and Yukon, misappropriated $3,473, building materials and cheque forgeries, paid the entire amount back and was dismissed on January 1, 1963. A former clerk, Indian agency, British Columbia, misappropriated $1,325 in forged cheques, was brought to court on 22 charges of forgery, found guilty, is presently serving a one year sentence and was dismissed on April 1, 1964.

Mr. Alkenbrack: No pension?

Mr. Cowan: No pension at all. These fellows were not compulsorily retired to promote efficiency in the Indian Affairs Branch but were dismissed just because they had done something they should not have done.

According to the way pensions are calculated in the Royal Canadian Mounted Police Superannuation Act, any pension shall be granted only in consideration of good and faithful service during the period in respect of which it is calculated. The businessmen in the House know very well that the longer a person is employed by a firm which operates a pension plan, the larger will be his pension. Not only does the pension become increased in value as continuity of office continues, but more and more the responsibility increases because more and more trust is placed in him, because people expect him to be a fit and proper person in whom to place responsibility.

But what happens in the R.C.M.P.? The longer a man is with the R.C.M.P. and the more senior his position becomes, the more responsibility he has. When he defaults, then the politicians do not calculate the last week or so of his service when he defaulted but go back over a long period of time and calculate the wonderful service he has given them. As his responsibility became bigger and bigger and his pay became larger and larger, so his pension became greater. But as his responsibility reached its zenith, the period when the greatest trust is placed in him, he then defaults. What happens? You do not consider that last week; you consider the 30 years prior to that when he was a good guy and had not defaulted. You calculate his pension on his 30 years service and forget the last week when he should have been dismissed for inefficiency.

• (6:30 p.m.)

Mr. More: I wonder whether I may ask the hon. Member a question. His statement seems to leave the inference that these pensions were granted on the recommendation of the governing officers of the R.C.M.P. It is my impression and understanding that those officers recommended their dismissal and that

the pensions were granted by the Government on the recommendation of the Minister of Justice.

Mr. Cowan: My answer to that question is this. I read from an Order in Council which indicates that the Committee of the Privy Council, on the recommendation of the Minister of Justice, dismissed one René John Bélec. A minute of a meeting of the Treasury Board states that the Board recommends the following:

Sub-Inspector Joseph Hosanna Maurice Poitras, who was compulsorily retired from the Royal Canadian Mounted Police Force to promote efficiency on December 8, 1964, be paid, under the provisions of Section 10(3)—

That would indicate that the Treasury Board made the recommendation. Does that answer your point? I am reading from Government documents which were produced in this House as a result of questions I asked some months ago.

I pointed out, Mr. Chairman, that the final week was not counted in respect of his pension. The 30 years service is used to calculate his pension in order to give him as big a pension as possible. They get around the Act in respect of the final week by retiring this man compulsorily to promote efficiency in the R.C.M.P. rather than for misconduct or inefficiency.

The hon. Member for Skeena in February drew attention to certain cases in respect of employees of the Indian Affairs Department. His questions were answered by the hon. Member for Fort William, the Parliamentary Secretary to the Minister of Citizenship and Immigration, in this way:

Where a person is suspected of the misappropriation of public funds or Crown owned property, and this is confirmed by investigation, it is the policy of the department to recommend dismissal.

I should like to know why that cannot be the policy of all departments of government. That is a good policy and I am glad to know it is the one followed by the Department of Citizenship and Immigration. Where a person is suspected of misappropriation of public funds or Crown owned property, and this is confirmed by investigation, it is the policy of the department to recommend dismissal, and that is a good policy.

The second sentence of this answer is:

After consultation between this department and the law officers of the crown, the Department of Justice decides whether the evidence warrants prosecution.

Why should these poor devils working for the Indian Affairs Branch receive the full treatment when it comes to dismissal from their employment for defalcation, yet some members of the R.C.M.P. are treated otherwise?

I stated before that I cannot make any comment on the Dorion report, and I will not, but I certainly can refer to the remarks of the hon. Member for Greenwood who said, when speaking yesterday:

I would say that politics is indeed in a sorry state when senior police officers accept as a matter of course that improper political interference may be made in the affairs of the administration of justice.

On Monday the hon. Member for Edmonton West related the pitiful cases of men by the names of Grant and Armishaw of the Indian Affairs division. Grant was charged that he overspent $70,000 of Indian Affairs money to aid the Indians of the Yukon Territory. I do not intend to repeat what the hon. Member for Edmonton West said, as he covered the subject thoroughly and adequately and asked for answers to his questions before the House recessed. He emphasized the fact that although over $70,000 was involved, this gentleman, Mr. Grant—I say "gentleman" and I mean "gentleman", and when I first meet him I will shake him by the hand because he is a gentleman—was fined $10 on each of six charges, with one day in jail as the alternative. I hope to God that the good people of Vernon, British Columbia, do not allow that gentleman to pay out that $60 fine. If they do not raise the $60, I should like to make a contribution to a fund so that Mr. Grant will not be put to that extra expense.

What happened to Mr. Grant? He has not been on the Government payroll for something like two years. Why do they not treat him in the same way as they treated the officers of the R.C.M.P.? If they did that, this poor fellow would not have to run a small grocery store in his advancing years, nor would his wife have to work as a nurse's aide in a nursing home in British Columbia. The interesting thing is that his co-conspirator, according to the charge read against him, was acquitted of all charges in the courts the day before yesterday, or at least that is the latest information I have read in the Edmonton newspapers.

I say to you, as a Member of the Liberal Party, that I will vote for this interim supply with a mighty heavy heart because I realize that some of the taxpayers' money is being diverted to pay pensions to the likes of former Inspector René John Bélec, the first commis-

sioned officer in the 97-year history of the R.C.M.P. to ever be convicted of defalcation while holding down his office. We are paying him $6,600 just to show what a good guy he is. I will vote with a heavy heart for interim supply, part of which will also pay the pension of Sub-Inspector Joseph Hosanna Maurice Poitras.

While I will support the motion because Government must go on, I certainly would like to see less interference with the operations of the R.C.M.P. If R.C.M.P. officers were allowed to operate that division of the Government as they can operate it, and as they are able to operate it,—and they are the ones who built up its reputation over this 97 year period,—there would be higher morale in that arm of the Government than there is today, because of political interference from time to time. I am proud to stand here and say that I have the utmost confidence in Commissioner McClellan of the R.C.M.P., and I hope that there are other Members of Parliament who will say as much for the R.C.M.P. in spite of the attacks made on that force by two Members of this House yesterday afternoon.

Mr. Knowles: Mr. Chairman, it is now apparent that before very long this House of Commons will be taking a recess. This is a rather unusual experience in the parliamentary lives of the newer Members. They probably do not know what a recess is, in view of the way in which we have been sitting more or less continuously since the 1963 election. I am sure that we all agree that a recess is desirable. It is desirable for the Members themselves in order that they can have a break from their duties here in Ottawa and meet with their constituents a little more than has been possible these past few years. It is also desirable for the Government, so that it will have an opportunity to give a little more attention to the legislation it intends to bring to Parliament.

Nevertheless I regret, Mr. Chairman, that we are leaving at this point so much unfinished business. I know that at this stage of the session any pleas I might make to the Government that certain things be done before we rise will probably fall on deaf ears, but I should like to state some of these important items, with the hope that they will be given consideration during the recess and that we will see action on them soon after we resume the business of the House in September.

The first item I should like to mention is the amount of the old age security pension. We had a good deal of discussion about this at the meetings of the Committee on the Canada Pension Plan which met during the Christmas recess some months ago. Those who were Members of that Committee will recall that we tried to get motions passed to recommend that the old age security pension be increased to a $100 a month. We were not successful but there was expressed, particularly by Liberal members of the committee, the opinion that something needed to be done to improve the position of those now on pension and those who would not qualify for pensions under the Canada Pension Plan, and they also expressed the view that something would be done.

• (6:40 p.m.)

One improvement was effected when the qualifying age for old age security was lowered from age 70 to age 65. However, this is coming down only on a year by year basis. The qualifying age will be 69 in 1966 and so on, until it becomes age 65 in 1970. This is a good move but, Mr. Chairman, it is no help to those who are now on the old age security pension. It is my very strong view that this Government and this Parliament will not get away with what they have failed to do in the old age pension field, and that action is going to have to be taken with regard to the amount of the old age security pension. I earnestly plead that the Government during the recess, if it does not find it possible to do it tonight, reconsider its position with regard to the amount of the old age security pension.

I have a resolution on the order paper, now fourth on the list of private Members' notices of motions, which seeks this very thing. It asks that the Government give consideration to the advisability of introducing a measure to increase the amount of the pension provided under the Old Age Security Act to $100 per month. I feel this is a matter of the utmost importance and I regret that, despite the wide support there is among Members of Parliament for doing something in this direction, we are going on recess without having increased the old age security pension from its present level of $75 a month. This is not good enough.

I move immediately, Mr. Chairman, to another subject which is related and indeed is a subject that the Government has related to the question about which I have just been talking. I refer to the Government's proposal to bring in what is to be known as the Canada Assistance Plan. This was mentioned in the Speech from the Throne at the start of the session, and it was outlined in some detail by the Prime Minister when he spoke

in the debate on the Address in Reply to the Speech from the Throne. It was a piece of legislation that seemed to be an implementation of the statements made in the committee on the Canada Pension Plan to the effect that something would be done for people who would not qualify for benefits under the Canada Pension Plan. I say at once, as I said at the time, that the ideas involved in the Canada Assistance Plan are good, but once again we are having to get these things on a Liberal timetable, which seems to take an ever longer and longer period of time.

The Minister of National Health and Welfare has been making a good many speeches throughout the country in the last few months. She has been in the far east and she is now in the far west. In some of these speeches she has talked about the Canada Assistance Plan and has pointed out that under that Plan it will be possible for some persons who are on old age security and are drawing only $75 a month under that legislation to get an additional amount. The reason they will be able to get an additional amount is that the Canada Assistance Plan, so we understand, is to bring into legislation of this kind the concept of the needs test rather than the concept of the means test. This is good. Perhaps it may depend on how it is administered. You can administer the two concepts in such a way that despite the difference in name there may not be much difference in the result. However, I take the Government's proposals at their face value. I believe that the Government does intend that we should get away from means tests provisions in so far as our social legislation is concerned, and instead apply a needs test. But I suggest that it is unfair to our older people for the Minister of National Health and Welfare to go around talking about what is going to be done for them when we cannot get the legislation on the order paper. I know that someone on the other side may say to me that I am unreasonable in pressing this matter in view of the fact I have been told so often that it will come before the forthcoming Federal-Provincial Conference. The difficulty is that I have been listening to promises that matters will be discussed at Federal-Provincial Conferences during all the years I have had the privilege of being a Member of the House of Commons. I regret that after all the fanfare about the Canada Assistance Plan, which I think has the prospect of being a good piece of legislation, it is not yet on the order paper. I hope it will be on the order paper when the House resumes, which I understand is to be in September.

Another piece of unfinished business is medicare. Again we will be told that this is an item that is going to be discussed at the Federal-Provincial Conference. Well, it was the subject of discussions at the Federal-Provincial Conference of 1945 and was placed before the provincial governments then in the Green Book proposals. We have had it promised time and time again. In the meantime we have had other documents including the very excellent recommendations in the Hall report. In the meantime some of the provinces have brought down legislation in this field which may actually get in the way of the proper, adequate kind of medicare legislation that we need in the federal field. I regret that all we have had is talk about this matter and that there is nothing on the order paper as it now stands. I earnestly hope that when we come back for the remaining part of the session medicare will be on the order paper and that we will get action on this subject this year.

I was glad to hear the hon. Member for Fraser Valley raise again a few minutes ago the question of the position of retired federal civil servants. I congratulate those Members of all parties in the House who have raised this issue from time to time during the course of this session. I should like to suggest that it is not only the plight of those whose pensions are low because they may not have served very long about which we should be concerned, because I think that even those who served for many years and retired a few years ago are on pensions that have not kept pace with the rising cost of living or with the rising standard of living.

In 1959 Parliament recognized the validity of the principle that pensions of civil servants already retired should be increased, and this Parliament in the Canada Pension Plan has recognized the principle that after pensions are put in pay people on pension should get an increase, as costs go up and as standards go up, to enable them to meet rising costs and to enable them to enjoy the rising standard of living. The case of superannuated civil servants has been presented time and time again. The Government has heard representations from these people and has led them to believe that their representations would be considered, only to turn them down pretty flatly as has been the case in recent months.

This is an issue on which I think Parliament must act. It is not good enough just to

say that these people have to wait for what is done by way of general legislation for all older people. The Government has a responsibility to all people of the country, as citizens, but it also has its particular responsibility to be a good employer. I do not think the Government is being a good employer when it keeps turning a deaf ear to the plight and the needs of our retired civil servants. I regret that nothing was done last session and that in this session that has lasted 53 sitting days so far we have got no action on this important question.

I couple with the plight of retired civil servants the plight of some retired Royal Canadian Mounted Police officers. I am not referring to the two about whom the hon. Member for York-Humber spoke a moment ago, but rather to those who were retired on pensions provided under legislation, not pensions provided by Order in Council. It is also a fact that there are persons on defence service pensions who retired some years ago to whom some consideration should be given. With increasing costs and increasing standards, these people have a right to increases in their pensions which will enable them to meet these increasing costs and to enjoy our rising standards.

• (6:50 p.m.)

The same situation applies to the pensioners of the Canadian National Railways. It seems very difficult to get anything out of the present Minister of Transport, other than a promise to send a communication to the President of Canadian National Railways. All we ever get back from him is the same kind of communication, which suggests this is something for the Government to act upon only when it deals with all old people generally. As I say, I think this Government and the Canadian National Railways have a responsibility not only to citizens generally, they also have a special responsibility as employers. I regret very much that 53 days of this session of the twenty sixth Parliament have gone by without any action for these people.

Another item of unfinished business concerns something I have raised with the Minister of Labour on several occasions recently, namely the Fair Wages and Hours of Labour Act. Tomorrow is July 1, a significant day in the history of Canada. It will be the 98th anniversary of Confederation and also the day on which the Canada Labour Code comes into effect. This is a good piece of legislation. We waited a long while for it, but it is a good thing we have it. It is going to apply

[Mr. Knowles.]

certain standards to a good many employees. But the Code will not affect people who are working directly for the federal Government, nor will it affect people who are working on federal Government contracts. They can get the same standards that are set up in the Canada Labour Code only by other action. The Government has apparently acted by a Treasury Board minute to provide to direct Government employees one standard in the Canada Labour Code, namely the wage of $1.25 per hour.

However, the other three standards, the maximum work week, the eight general holidays with pay and the two weeks holiday with pay do not apply by law to direct employees of the Government, unless they have that protection under something like the Civil Service Act. So far as people working on Government contracts are concerned, they do not have this coverage at all. The Minister of Labour has promised repeatedly that this matter would be looked after. Last year when he introduced the Canada Labour Code he took the initiative himself in admitting the Canada Labour Code would not cover these two groups of employees. He said they would be covered by amendments to the Fair Wages and Hours of Labour Act. He said that the Fair Wages and Hours of Labour Act would be amended so its provisions would parallel those of the Canada Labour Code, and would come into effect at the same time the Canada Labour Code came into effect.

We had discussion about this the other night in which the Minister quibbled about certain words he had used. He tried to say that his promise to have this come into effect by July 1, 1965, applied only to the minimum wage for direct Government employees. My reading of his answers to my questions over the months makes it very clear that it was his intention that these things would be in effect on the same date, namely July 1. I regret very much, Mr. Chairman, that tomorrow, when the Canada Labour Code is going into effect, it will not be paralleled by amendments to the Fair Wages and Hours of Labour Act, so that Government employees and persons working on Government contracts might have the same four minimum standards that are set out in the Canada Labour Code. I repeat those four minimum standards: a minimum wage; eight statutory holidays with pay; two weeks holiday with pay each year and a maximum work week of five days or 40 hours. As I say, Mr. Chairman, these things ought to be in effect and

it is not good enough for Parliament to be recessing, leaving behind so much unfinished business.

There are many other items not yet attended to, but at this moment I will list just one more, the one about which I asked the Minister of Labour a question on the orders of the day this afternoon, namely the proposed legislation regarding safety in employment. This, too, is something that the Government promised at the second session of Parliament. It was promised again by putting it in the Speech from the Throne at the start of this session. As a matter of fact, this is something that was before us even during the last Parliament under the previous Government but it never got passed. It is a serious situation which arises because of our division of responsibilities between the provinces and the federal government. There are plants in this country which come under federal labour jurisdiction. When accidents take place, even if someone is hurt or killed, the provincial safety people cannot go in to make an investigation because the plant comes under federal labour jurisdiction. I know of some cases where this has actually happened. As long as we have this division between provincial and federal jurisdiction in the labour field, we will need federal legislation in the safety field comparable to that which exists in the provinces.

As I say, the Minister of Labour promised us last session that this measure would be introduced. He made the same promise this session, and we have been told from time to time that the legislation was ready and would be brought before us soon. We were told that last fall. We went through that long session last year without ever seeing the measure on the order paper. We have been 53 days in this session and it still is not on the order paper. As hon. Members are aware, I asked the Minister of Labour about this on the orders of the day this afternoon and he said it would not be on the order paper before the session recessed. I then asked him if it would be on the order paper after we came back. I fear I did not word that supplementary question very well because it enabled him to say, yes, it would be on afterwards but afterwards might be two or three months or two or three years afterwards. We need this legislation on the order paper at the time we come back in September.

There are other matters, but I did want to list these seven or eight which I think are very important. I regret that we have gone 53 days without dealing with them. I hope when we come back in the fall this Government will realize the people of Canada expect action to increase the old age security pension to $100 per month and action to bring in the Canada Assistance Plan. They expect action on medicare. They expect something to be done for our superannuated civil servants, for retired members of the Royal Canadian Mounted Police, defence service personnel and retired employees of the Canadian National Railways. They expect action on the Fair Wages and Hours of Labour Act. They expect action on the proposed legislation regarding safety in employment. I regret that there is so much unfinished business. If we give the Government two or two and a half months in which to attend to things, I hope it will use that time to get these various matters into legislative shape. I urge that they will be on the order paper without fail when we return in September.

Mr. Southam: I can assure hon. Members of the committee I am not going to take up very much of their time, Mr. Chairman, knowing that we are all anxious to wrap up this session. However, I would be remiss in my duty if I did not at this time rise in my place and register a very strong complaint about the emergency situation that is developing in western Canada. I am sorry that the Minister of Trade and Commerce and the Minister of Transport are not in their seats. The emergency to which I am referring concerns the pile-up of grain on farms in Western Canada.

As hon. Members know, western Canada reaped a very bountiful harvest last year. With the quota system we have this has moved out gradually. For some unknown reason, during the past few weeks we have found box cars have not been available for this grain to move off western farms. The emergency is aggravated by the fact we have prospects of another large crop in the West this year, and we are very thankful for that. As I have said, we work on a quota system and at the end of the crop year, which is July 31, most of this grain should be moved off the farmers' hands and into the elevators in the process of being moved to market. The farmers would then have space in which to house the new crop. Members from western Canada have been bringing this problem to the attention of Ministers for the last six weeks. My hon. friend from Swift Current-

Maple Creek has brought it to the attention of the House. The hon. Member for Rosthern and the hon. Member for Assiniboia have done the same thing. Only yesterday I referred to a telegram sent to the Minister of Trade and Commerce and questioned him about this matter. In reply he said the situation was under control. However, we do not see evidence of the necessary action being taken.

• (7:00 p.m.)

The Wheat Board is involved, but the Board, as an agency of the Government, has to get some direction and assistance from the Government. So I make an urgent plea to the Government at the present time to give this matter serious attention. I hope that some of the Ministers who are now present will bring it to the attention of their colleagues who are directly concerned because it is most important that the C.N.R. and the C.P.R. should rush cars into these areas.

There is one other matter. A number of farmers in western Canada have been receiving registered letters from the Wheat Board with respect to the balance of payments of their cash advances. Understandably this is a source of great annoyance to these farmers, who cannot pay the balances, due to the difficulty they find in getting their grain to market. They should not be receiving these dunning notes. There need be no concern about the collection of these advances because, under the Act, the permit books of the farmers concerned are held by the elevators and when they are allowed to bring their grain to market the advances will automatically be collected. I think the Minister responsible for the Wheat Board should discuss this matter with the Board to see whether the issuance of such letters cannot be held in abeyance until cars have been placed at the disposal of the elevators in western Canada to get the grain off the farms.

This is a serious problem in western Canada, particularly in southeastern Saskatchewan and the western side of Manitoba, and the Government should give it urgent consideration.

Resolution reported and concurred in.

WAYS AND MEANS

INTERIM SUPPLY

The house in Committee of Ways and Means, Mr. Lamoureux in the Chair.

Mr. Gordon moved:

Resolved, that toward making good the Supply granted to Her Majesty on account of certain expenses of the public services for the fiscal year ending 31 March 1966, the sum of $1,651,292,282.42 be granted out of the Consolidated Revenue Fund of Canada.

[Mr. Southam.]

Mr. Knowles: May I ask the Secretary of State for External Affairs just one question? Does he intend to reply to the remarks made earlier this afternoon by the hon. Member for Greenwood with respect to the current proposal for the amending of the British North America Act?

Let me put my question this way: Is this all there is to it? Is the fact that there has been an opportunity to discuss the matter—whether there has been very much discussion or not—all that is necessary? The Government sends the amendment over and the constitution is amended—is it as simple as that?

Mr. Martin (Essex East): Yes, it is as simple as that. The Government, as the adviser to Her Majesty the Queen, has a responsibility which it will exercise as we have already indicated. This advice will be that the matter forwarded to us by the Lieutenant Governor, for the Government of the Province of Quebec is in respect of a matter which the Government of Canada believes to be a matter of a local character within the terms of the constitution.

I made a statement the other day as to the course we propose to follow. The Prime Minister had indicated that notwithstanding the responsibility of the executive, within the limitations I have indicated, the Government would not finally give this favourable advice to Her Majesty until such time as this House had been given the opportunity to express individual opinions. This opportunity has been given.

The Government takes the position that this is not a matter for the Parliament of Canada. This is a matter which does not concern the laws of Canada, the Parliament of Canada, or the provinces. This is a matter which affects the province concerned alone. For that reason the course I have already outlined will be followed.

Mr. Knowles: I have no intention of extending this discussion, but I think it should be on record that some of us do not feel this is the proper course. If the Government proposes to go ahead and do it just because there has been this little bit of discussion, there is nothing we can do to stop it. But it does not accord with the views which some of us hold about the importance of our consti-

tution and the whole question of how it should be amended.

Motion agreed to.

Resolution reported and concurred in.

Mr. Gordon thereupon moved for leave to introduce Bill No. C-131 for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1966.

Motion agreed to and bill read the first time.

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

Mr. Knowles: By leave.

Mr. Gordon moved the second reading of the bill.

Motion agreed to, bill read the second time and the House went into committee thereon, —Mr. Lamoureux in the Chair.

On clause 1.

Mr. Knowles: Are copies of this bill available?

• (7:10 p.m.)

Clause 1 agreed to.

Clauses 2 to 6 inclusive agreed to.

Schedules agreed to.

Preamble agreed to.

Title agreed to.

Bill reported and read the third time and passed.

INDUSTRY

PROVISION FOR PAYMENT OF DEVELOPMENT GRANTS IN DESIGNATED AREAS

Hon. C. M. Drury (Minister of Industry) moved the second reading of Bill No. C-129, to provide incentives for the development of industrial employment opportunities in designated areas in Canada, and to effect certain related amendments to the Income Tax Act.

Mr. Peters: Mr. Speaker, would the Minister consider making a statement, in the light of some of the discussion we have had on this matter and in view of the understanding of the House Leaders?

Mr. Drury: Mr. Speaker, in speaking to the resolution yesterday I said that the area development program had achieved a substantial measure of success during its period of operation. Members may be interested in a few facts and figures covering the period from the beginning of the program until the close of the last fiscal year.

It will be recalled that when the program was announced in September, 1963, a total of 35 National Employment Service areas were designated, within which tax incentives to new manufacturing and processing industries would apply. Three of these areas were removed from the list following a review of conditions in all areas in December, 1964. Economic conditions in these areas had improved to a degree where special development incentives were no longer required.

During the period mentioned, no fewer than 150 firms indicated to us that they intended to take advantage of the tax incentives and establish in designated areas. These new establishments will employ some 14,500 workers in their own plants and indirectly will create an equal number of additional jobs in the construction, supply and service industries. The total investment made in these new facilities will amount to more than $470 million, an average investment of about $32,500 for each worker employed in the new plants. The number of new jobs created in these new establishments represents almost 3 per cent of the labour force in the 35 designated areas.

I should explain that 27 of the original 35 areas attracted new industries under the program. An analysis of the new businesses established in the 27 areas indicates that six of these areas accounted for 72 per cent of all the new direct jobs and for 55 per cent of total new investment. Some 60 per cent of the the new firms are located in these six areas. The new jobs created amount to some 5.6 per cent of the labour force, and this has resulted in a substantial reduction in the unemployment rate in the areas.

These 150 new firms embrace a wide range of industries. The papermaking industry accounts for about one quarter of the new investment. Firms producing transportation equipment account for about 14 per cent of the new employment and the same proportion of new investment. The chemical industry accounts for about 13 per cent of the new employment, but for over one third of all the new investment, reflecting the very high ratio of capital to labour in this industry. The textile group also accounts for about 13 per cent of the new employment but only about 9 per cent of the new investment, reflecting the labour intensity of the textile industry. Machinery manufacturers account for about 7 per cent of the employment and about 2 per cent of the new investment. A few large

firms account for the major increases in new employment and investment. Of the 150 new firms, ten with investments of over $20 million account for over two thirds of the new investment and something less than one half of the new employment.

Drawing on the experience obtained in the first year of operation, the Government several months ago undertook a thorough review of the whole area development program. From the beginning our main concern was to deal quickly and effectively with situations of serious unemployment. In order to proceed we first needed to devise objective criteria which could be applied in a uniform and consistent manner to all areas across the country, in order to determine those areas in which unemployment conditions were most serious. Members will recall that designation was on the basis of National Employment Service areas and depended upon whether an area had been in a labour surplus category during the summer months of the previous eight years and where employment growth was well below the national average. Consideration was also given to short-run serious unemployment, and several areas were added for this reason.

Our early experience and study indicated that the unemployment situation in the summer months shows up markedly in certain areas where retooling and other production changes are normal in those months. Therefore we now propose to consider unemployment in terms of the ratio between the number of registered unemployed and the number of paid workers in the area for the year as a whole. When this ratio is calculated for each National Employment Service area, it provides a basis for comparing the unemployment situation among all areas in the country and of showing each area relative to the general situation for Canada as a whole. We believe that this is a better technique for identifying the areas where the incidence of chronic unemployment is heaviest.

The second criterion for designation is the rate of employment growth experienced over the most recent five years rather than over an eight-year period. Five years are enough, we believe, to establish a trend and identify a chronic situation. when this factor is calculated for each area, we have an additional basis for comparing areas with one another and with the average for the country as a whole.

Mr. Nugent: The hon. Member only asked one question.

[Mr. Drury.]

Mr. Drury: The interjector's deskmate is very interested in these employment statistics, Mr. Speaker.

We are proposing a third criterion which provides for the designation of areas in which employment has declined persistently over a period of years. Our concern with unemployment and lack of employment opportunities goes well beyond a simple enumeration of people who might be registered as unemployed with the National Employment Service. To begin with it is well known that not all unemployed are registered with NES as seeking work. This situation may be associated with underemployment, which in general means employment for less than normal full time, or employment in an unproductive and low-paying job. But whatever the circumstances, perhaps the most reliable indicator of unregistered unemployment, and of underemployment, is low income. Accordingly, we are proposing to include as a fourth criterion for designation average non-farm family income as obtained from the national census. As the Canada Pension Plan gets under way we will benefit from more complete and more up-to-date information on family income in all parts of the country. What we will achieve through the application of these criteria is the designation of areas containing a total of about 15 per cent of the labour force in Canada. This is considered to be a reasonable and an acceptable scope for the new program and compares with 10 per cent of the Canadian labour force included in the 35 areas originally designated under the present program.

I have a final comment on this matter of determining which areas are to be designated for special assistance. Hon. Members are aware that industrial development assistance for select areas is relatively new to Canada and to other countries. We are in an early and experimental stage. The United States is in the process of enacting important changes in their program. In Europe, both Great Britain and France have made changes in recent years in their programs for area development.

• (7:20 p.m.)

We must keep in mind that countries with unitary systems of government find it easier to implement regional programs than does Canada. In our system, the provinces have very definite interests in economic development, and these interests inevitably take on a regional character. In developing our program we have been most conscious of pro-

vincial interests, and have had both formal and informal consultations with regard to our new proposals. I think we have to recognize that as the provinces devise and implement development programs of their own, there will have to be close and continuing consultations to ensure that we move to our common objectives in a co-ordinated manner.

The Prime Minister said in his announcement of June 7 that final details with regard to criteria for designation of areas under this new program will have to await the completion of consultations with the provinces. I expect that these criteria, together with a description of the designated areas, will be announced immediately after the Prime Minister's conference with the Premiers to be held in July. Following this announcement and subsequent to the conference, I have assured a number of Members, and I am glad to assure the House, that the Government will table at the opening of the next part of the session the Order in Council designating the areas and will endeavour at an early date thereafter to refer the Order in Council to the House Committee on Industry, Research and Energy Development for discussion.

Because of the critical importance of the considerations affecting the designation of areas to which this bill will apply, I have given this rather detailed statement concerning both matters of mechanics and principle which have been taken into account.

I now wish to deal more specifically with the incentives for encouraging industry to locate in the designated areas, which is the subject matter of the bill now under consideration. The Government's purpose in this legislation is to provide improved employment opportunities for people in areas where these are inadequate in comparison with Canada as a whole. It is our intention to have better employment opportunities and sound economic growth at the same time.

We are convinced of the importance to the country of a broadening and strengthening of our industrial sector and we wish to make it possible for some of this expansion to take place in the areas where industrial employment opportunities are needed most. To this end, the bill before you will provide for development grants to assist new manufacturing and processing industries to establish in designated areas. It will also provide grants to existing manufacturing and processing industries to assist them in expanding their facilities. We recognize that there are obstacles, and at times additional costs, to locating in designated areas as compared with well-established industrial centres. It is the purpose of this bill to help overcome such obstacles and to provide an offset to higher initial costs. We propose that these grants should be based upon the fixed capital outlays incurred by the enterprise in establishing or expanding a business in designated areas, in accordance with formulas defined in the bill.

I should like to stress that it is not the Government's intention to encourage industries to establish in areas where their long-term prospects for success would be in doubt. While the Government will be providing financial assistance, the firms themselves will provide the bulk of the investment capital. Management will decide whether this initial capital assistance will offset the costs and other impediments to locating in designated areas as compared to alternatives. There is therefore a strong built-in safeguard to ensure that new enterprises in these areas will be viable on a long-term basis.

The development grant will amount to 33⅓ per cent of the first quarter of a million dollars of fixed capital outlay. This proportion is higher than the allowance for larger investments, because it is the Government's view that the smaller firm is often well adapted to conditions in designated areas. Furthermore, the smaller firm is often more labour-intensive. We are also aware that smaller firms usually have difficulties in their initial financing, so that a cash grant is the more effective way of meeting their needs.

On capital costs between $250,000 and $1 million, the development grant will amount to 25 per cent of the fixed investment and on outlays over $1 million the proportion will be 20 per cent, with a maximum of $5 million for any single facility. For expansion of an existing facility, the amount of the grant will be determined by the same formula, except that the expansion must be larger than a specified minimum in order to qualify. Again the $5 million maximum grant for any single facility will apply.

Some firms may, for one reason or another, prefer to have a remission of tax rather than a cash grant. These tax incentives have proven highly attractive to many firms in the present program, and they will be retained as an option under the new program until the relevant provisions in the Income Tax Act expire on March 31, 1967. Furthermore, firms which qualify for assistance under the new program may elect to take a tax credit in lieu of a cash grant.

In addition to providing funds and establishing formulae for making development grants, the bill before you proposes amendments to the Income Tax Act relating to definitions of "manufacturing" and "processing". The main effect of these amendments is to ensure that the basis of eligibility for the tax benefits which will remain in effect until March 31, 1967, will be the same as the basis on which eligibility of assets for development grants will be determined.

Hon. Members should note that the bill establishes an expiry date of March 31, 1971, for grants under this program.

As I said earlier, we are in a new and dynamic field when we undertake to influence industrial location in particular areas. We will no doubt learn a great deal as our program proceeds, as indeed other countries have done in the past. As we gain new experience, and learn from the experience of others, it would be my hope and intention, Mr. Speaker, to come before the House again with further proposals, which would be designed like the present ones, to make more effective the Government's efforts to ensure the growth of our industrial sector and the better employment opportunities that this expansion will provide to our people in all parts of Canada.

Mr. Douglas: May I ask a question of the Minister before he sits down. He said that he would endeavour to have these regulations tabled in the House soon after the House resumed its sittings, and that he would endeavour to have them referred to the Committee on Industry, Research and Energy Development. He said he would "endeavour". I was wondering whether that was a slip of the tongue. Do I take it that the Minister is undertaking to have them referred to this Committee?

Mr. Drury: I did undertake unequivocally to table the estimates because this is within my control. I have learned in a very short parliamentary experience not to give undertakings as to what the House may or may not do. I will use my best endeavours to see that these are referred as early as possible after tabling—and I do undertake to table them immediately—to the House Committee. Specifically, I think it has been understood, Mr. Speaker, with respect to this question of tabling and referral, that the Government undertakes that the Order in Council designating the designated areas in clause 2(c) will be tabled on the resumption after the summer recess and referred to the Standing Committee on Industry, Research and Energy Development. This will include an opportunity to discuss the criteria.

[Mr. Drury.]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I do not want to take very much time but I am interested in the fact that overnight the Minister has learned a considerable amount about this matter, and I congratulate his officials in the gallery for having written this very interesting statement that the Minister has just read. I hope that during the summer recess he will take some opportunity to learn something about the department, so that he will keep familiar with the many points which were raised by hon. Members yesterday. Some of the staff of the department, perhaps not known to the Minister, have already learned some lessons, and this resulted in the discussion which took place on the changing of the criteria for deciding the designated areas. I should like to draw the Minister's attention to one sentence of the Prime Minister's statement made on June 7 and recorded at page 2023 of *Hansard* for that date. The Prime Minister said:

• (7:30 p.m.)

The third major change we propose in the policy is an extensive revision and broadening of the areas to which it applies. With this objective we propose to establish new guide lines for the designation of areas where, under the terms of the Department of Industry Act, the industrial incentives will be made available. These guide lines will be the basis for objective standards which will be put in statistical terms by the Governor General in Council.

Then he goes on to say:

The importance of the present proposals is that Canadians living in areas where jobs are most needed will have a better chance to improve their lives, because of the scope that this program provides for constructive industrial development and improved skills.

Mr. Speaker, I will not take the time of the House to go over some of the changes which have been discussed by Members in all parts of the House, but I should like to say that the Prime Minister clearly indicated in his statement that he was prepared to move this program along the road of progress. This program really has been in effect for a number of years and has been modified more than once. A change is already needed again as indicated by the fact that out of 35 areas originally designated, 27 have new industry while four have been removed from designation, yet the areas which have been assisted have faced a very heavy increased capital cost because of the additional number of

people employed. The figures in this regard as I wrote them down are 14,002 employees at a capital expenditure of $32,000 for each employee with an increase in earnings as a result of the assistance of 3 per cent.

The Minister I think really read an interpretation of the Act now before us giving some elaboration in respect of the section which relates to the Department of Industry Act. This in very broad terms sets forth the criteria to be established, not by that Act or any other Act, but by Order in Council. For that reason I suggest to the Minister that Members of Parliament who make suggestions in this regard, and I do not think the Minister has grasped this fact, are not going to suggest that industry be developed in areas or communities which will be harmed by such development. One might by subsidy entice industry to develop in communities, but if these industries are not capable of supporting themselves after the subsidy is cut off, then this measure will in fact bankrupt these communities. If the members of the communities, their industrial commissions and municipal councils cannot envisage an industry carrying its own weight after the initial incentive disappears, I am sure no responsible representative will ask that these industries be persuaded to locate in their areas.

No doubt there are many people who would be glad to lend money for the establishment of industry in certain areas because under this proposal they would receive a large proportion of their investment back in the form of subsidies. For instance, if a small factory is involved, the return could be as high as 33 per cent of the capital expenditure for such things as machinery and initial construction. I sincerely hope that the Minister will have a change of heart and will urge the committee to do something to make this plan much more successful than it has been.

In my opinion there has been a tremendous lack of leadership on the part of provincial departments of economics, or whatever the name is of those departments which are the counterpart of the federal Department of Industry. That leadership has not been forthcoming. In the Province of Ontario, while there are some very good people working in the Department of Economics who have been responsible for some of the success that has been achieved, the Government and the Minister in particular have not shown the needed leadership. A former Minister who did a great deal to develop this Department failed after its development to give leadership in the area of the development field.

I do not believe our Minister is going to come back with a cut and dried program which will provide equity of treatment to all participating provinces, because some of the provinces are not in the same position as others. I sincerely urge the Minister to keep in mind the promise made by the Government to the House that these criteria and regulations will be considered in respect of any Orders in Council, and reconsidered by the Industrial Committee. It is my belief that many valuable and worthy suggestions will be made by Members of that Committee which the Government will have to act upon, or fail in its commitment. I hope the Minister will be sincere in his consultations with the Members of that Committee and will look seriously at the problems that will be raised regarding areas where assistance has not been provided.

I am perfectly in accord with the Prime Minister's statement. He may not have read this bill thoroughly, but as a result of reading it I am convinced that there is no great change in the criteria for designating areas. All there has been is a change in the system of incentives by the inclusion of outright grants. I do not believe the Prime Minister was talking about money, but rather about the inclusion of areas where there has been slow growth in the expansion of industrial development. What is needed is some leadership on the part of the Government for the development of equity of opportunity to communities throughout Canada.

I am as positive as I am standing here, Mr. Speaker, that this bill will not meet the requirements as suggested by the Prime Minister. The Minister is sometimes reluctant to pay much attention to the suggestions of Parliamentarians, perhaps even most of the time, but I hope in regard to this whole program he will give some consideration to the suggestions which I am sure will be made by the Committee. I have sympathy for the fact that the Minister has had a great deal of administrative responsibility, but I think before we will be able to arrive at a mutually acceptable conclusion the co-operation of each and every Member of this House will be absolutely essential, as will be the co-operation of each of the provisional departments interested in this scheme.

The Minister has said that this is a new kind of program. I agree that it has been changed three or four times and I hope that

on the occasion of every future change, the change will be for the better. I think we will be taking a great step along the road to co-operation in helping these areas of slow industrial growth if each and every Member consults with his local industrial commission and municipal council in order that at this level of Government there will be greater understanding in this field. If that is the case, I am sure that when we come back to discuss the criteria and regulations in the Committee we will truly be able to do what the Prime Minister has said is needed.

• (7:40 p.m.)

He has said that the importance of the present proposals lies in the fact that Canadians living in areas where jobs are most needed will have a better chance to improve their lives because of the scope of this program providing for constructive industrial development and improved skills. I hope we can make this come to pass and bring about a redistribution of industry that will provide an equal opportunity to areas in all parts of this country.

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I have only a few words to say about section 1 of the bill on designated areas. I would call the Minister's special attention to the condition governing grants for the development of industry in designated areas, because we know from past experience in my county that, in recent years, certain areas have not been designated. What I find strange is that our area was designated for winter works, we have received winter works grants as a designated area, yet when it comes to setting up new industries or allowing grants for new industries, we find that our area is no longer designated. It is on this specific point that I wish to draw the Minister's special attention, because he told us that these new areas would be designated at the time of the federal-provincial conference of provincial prime ministers. Therefore, I want to inform him of one thing: there are, in constituencies such as mine, factors which will completely change the report of the national unemployment service.

From what I see, statistics provided by the national unemployment service constitute the main basis for the designation of areas. In my constituency, there are two offices of the national unemployment service. The statistical data of the office in the north are very exact, and this area is designated both for winter works and for assistance to industries. On the other hand, in the south, the designated area, Roberval and St. Félicien, the unemployment office, which is located in Roberval, cannot give a true picture of the region for the good reason that the big towns of Chibougamau and Chapais are not part of the economy of the area, but come under the national unemployment office in Roberval. This results in a very large labour surplus registering at the Roberval office. The statistics of the Roberval office show that this region seems more prosperous than it really is, because Chibougamau and Chapais are industrial centres where unemployment is extremely low. If the minister will only take my remarks into consideration, I suggest that these two towns be withdrawn from the jurisdiction of the Roberval office and that another unemployment office be set up for the towns of Chapais and Chibougamau, with a view to finding out exactly what the labour and unemployment situation is in each region.

I am told that, as a result of redistribution, the towns of Chapais and Chibougamau will be incorporated in the Roberval constituency. If so, three unemployment offices should be set up, at all costs, in order to have three separate regions and to do justice to each one of them, because when the statistics of the Roberval office are sent to Ottawa, they include the towns of Chapais and Chibougamau. Then you are under the impression that those towns are located two or three miles from the Roberval office, but the fact is that they are 155 miles away from the Roberval office and are separated by more than 135 miles of virgin forest. That is why I maintain it is impossible logically to include those two urban centres in the Roberval and St. Felicien district. The minister is aware of that situation, because in recent years we have been in touch with him in order to get grants for the winter work performed in those two towns. We are proud of having them in our constituency, but we are not so proud to see people in our area deprived of grants that would normally be paid to them.

A few industries will most likely settle in St. Felicien; a pulp and paper mill, for instance, could have taken advantage of those grants, but the problem was there. I met the municipal authorities of St. Felicien who explained the problem to me. "We cannot get the grants because this is not a designated area", they said. I am sure this can be dis-

cussed at the federal-provincial conference and that the Quebec Minister of Industry could be approached in this regard, because we are sometimes overlooked even by the Quebec government; as a matter of fact, the Quebec Minister of Agriculture did forget, for a whole year, to mention to the federal Minister of Agriculture that we were in economic difficulties and that we needed assistance.

I am convinced that the minister will take my remarks into serious consideration, because this matter has to be settled once and for all, and the southern part of Roberval county, from St. Felicien, Chambord and Roberval, should be considered as a separate region and the two communities of Chapais and Chibougamau should have their own national unemployment office, in order to better judge the situation in those communities.

I will not elaborate, because I am quite satisfied with the grants offered designated areas; however, I hope that justice will be done. If justice is done, I am sure those two regions will be among the first to become designated areas, since they need assistance.

[*English*]

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I will be very brief, but I do want to say I am one who appreciates the Minister's willingness to co-operate in accepting the suggestion so forcefully presented by the hon. Member for Timiskaming (Mr. Peters) and agreeing to recommend that the Order in Council covering this legislation be referred to the appropriate committee when we return after the holidays. I also want to congratulate the hon. Member for Timiskaming, who I admit could be considered by the Minister as a rather prickly political pear in opposition, for his persistence and determination to stand up for what he believes is the right course of action. I think the hon. Member's persistence in standing up for the things in which he believes and the Minister's willingness to co-operate have brought us to this rather, shall I say—

Mr. Drury: Felicitous.

Mr. Herridge: —mellow mood in respect of this legislation.

• (7:50 p.m.)

Now, I do want to say that in my opinion this is experimental legislation. This type of legislation is only recent in history. I believe Members of the House will be entitled to periodic reports on the operation of the Act, more than just an annual report. If this measure is to be a success, it must have the co-operation of the Members of the House. I suggest also that Members will have an opportunity, as a result of these periodic reports on the administration and operation of the Act, to make suggestions with respect to improvements that are required, or amendments based on their personal knowledge of their local circumstances and their experience in seeing the Act in operation.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Just a few comments, Mr. Speaker, because I do not want to delay the proceedings of the house, especially as everybody is in a hurry to reach the 1st of July. I know that the Minister of Industry and Minister Defence Production (Mr. Drury) is anxious to reach the 1st of July as much as we are.

We are now considering Bill No. C-129 to provide incentives for the development of industrial employment opportunities in designated areas in Canada and to effect certain related amendments to the Income Tax Act.

Mr. Speaker, I will deal briefly with the proposal effecting certain related amendments to the Income Tax Act.

However, as a representative of a riding forming part of or included in a so-called designated area, more especially Rouyn-Noranda, Malartic, Val d'Or, etc., I wish to point out to the minister that, in our part of the country, for instance, it is unthinkable to set up industries other than the forest or mining industries. That is practically all the development opportunities we have.

Now, our area has dozens of mining prospects, in short a tremendous mining potential, and the government has never taken the trouble to look into the possibility of fully developing this mining area. As a matter of fact, there is no question of setting up a factory of automotive parts, for the good reason that transportation costs are prohibitive. We cannot hope to establish any other industry, or almost, because production costs are also prohibitive. The transportation costs are prohibitive because we are far from large centres.

However, our mining potential is almost unlimited and it is liable to be developed.

We are in favour of tax cuts, but we want the government to take positive steps to encourage new industries or companies to settle there and work the extensive ore bodies in northwestern Quebec. But the government will not listen.

Mr. Speaker, as pointed out a little earlier by the hon. Member for Timiskaming (Mr. Peters), who represents the riding next to mine where almost the same problems exist, I feel that the only way to help northwestern Quebec and northeastern Ontario it to promote the settlement of new mining companies. However, when we make this suggestion, it falls on deaf ears, people do not want to hear, people do not believe that there are, in those areas, almost unrestricted opportunities for mining development.

Mr. Speaker, it must be realized that there are other things besides gold in that part of the country. In fact, copper, zinc, nickel, ores of all kinds can be found there, provided we want to assist in the development of our mining industry. I am convinced that if the government spent one thousandth of its energy to promote the establishment of new mining industries in our area, it would not have to introduce bills and measures like the one we are now considering, and the Minister of Industry and Defence Production would be perfectly free to say: We have promoted the establishment of those industries which, in turn, have created employment, economic stability, in short we have given confidence to the Canadian pepole who live in that area.

Mr. Speaker, we cannot hope for any industry other than the mining and forestry industries, and even then, the mining industry is well ahead of the other in our area.

Mr. Speaker, I want to call the minister's attention to the provisions of Bill No. C-129 and ask him to consider carefully the existing conditions and situation at this time in northwestern Quebec and northeastern Ontario. I am sure he would then offer himself the luxury of a trip from Montreal to Rouyn, to Kirkland Lake or to Timmins, in order to find out exactly what is happening in those areas.

The city of Montreal does not experience problems of this kind, because there are no mines in Montreal. There may be a ministers' mine, but there is no gold mine of any kind.

I sincerely believe that, when the time comes to examine Bill No. C-129, as well as the proposed amendments, the minister should consider what could be done as regards the areas which are already designated areas, underdeveloped areas, whereas we have, as I said a while ago, almost unlimited possibilities as regards development, but nobody dares to think about them, because the exact situation is not known.

[Mr. Caouette.]

Those possibilities are ours and all the minister has to do is to take the required decisions, not decisions that would cost something to the government, but decisions which will eventually be profitable to Canada as a whole and more particularly to the citizens now living in the designated areas of northwestern Quebec or northeastern Ontario.

I say and I repeat that the minister will then have taken into account and respected the feelings and aspirations of the people living in regions which are recognized as designated areas.

[*English*]

Motion agreed to, bill read the second time and the House went into committee thereon, —Mr. Richard in the Chair.

• (8:00 p.m.)

Clauses 2 to 11 inclusive agreed to.

On clause 12.

Mr. Douglas: I wish to say a word on clause 12. I think this is the clause under which most of the trouble arises. I think hon. Members generally are strongly in favour of the purpose and intent of the legislation. The thing which has worried everyone is the question of the regulations under which areas are declared to be designated areas, and the other regulations which will flow from this clause.

I must say I have a great deal of sympathy with the Minister. This is not a simple problem. The task of trying to forge an economic technique for coping with regional unemployment takes a great deal of sophistication and experience. I have had an opportunity to look at the programs carried out by a number of countries, Sweden, West Germany, and Britain in particular. They vary from country to country. West Germany which is a federation, uses a totally different technique from Sweden which has a complex and sophisticated series of enactments. Great Britain, where legislation of this kind is more recent, has not yet reached the stage of advancement which has been reached by Sweden.

We have to be patient and feel our way. I think there is no doubt that the criteria we used last year were not adequate. They produced a great many anomalies and some glaring inequities. I think the formula the Minister is presenting now constitutes an improvement. I believe there will have to be further improvements. The Minister, in one of the formulae, said he will take into consideration non-farm income. I think the time is coming when in some regions we shall have to take farm income into consideration.

I was in Norfolk county some months ago. I sent the Minister a brief which had been prepared by the County Council with the help of some sociologists from the university. It showed that 25.2 per cent of the farmers there had a cash income amounting to less than $1,000 in 1964. This means that those farmers had to depend upon some type of part-time employment. Some types of industry might well produce employment of this kind. If it is necessary to move these people from uneconomic farms to industry, there will be a need to attract industry to areas such as Norfolk County, though applications from Norfolk County to be designated have been consistently refused. I use this example as an illustration. This legislation will become more complex and sophisticated as we go along. I do not blame the Minister. He is breaking new ground. We must get the benefit of the experience of as many people as we can, in the municipal field, in industry and in this House.

I am glad the Minister has agreed to table the regulations in the House when we reassemble and refer them to the Committee on Industry, Research and Energy Development. If this measure were reviewed periodically by that committee a great many useful suggestions could be worked out. I have a number in mind myself, as I am sure have Members in all parts of the House. This is not the time to belabour the Minister with them; an opportunity will be presented for doing this after we have re-assembled. We congratulate the Minister on his willingness to have this matter discussed in the committee. We feel certain that the committee and Members of the House generally can be useful to him in reviewing these regulations from time to time.

Clause agreed to.

Clauses 13 and 14 agreed to.

Clause 1 agreed to.

Schedule agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the said bill be read the third time? By leave, now?

Some hon. Members: By leave.

Mr. Drury moved the third reading of the bill.

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

HOUSE OF COMMONS

CONCURRENCE IN REPORT OF INTERNAL ECONOMY COMMISSION

Hon. G. J. McIlraith (President of the Privy Council) moved:

That the report of the Commissioners of Internal Economy relating to classification changes affecting a number of the personnel in the House of Commons laid before the House on June 14, 1965, and printed in *Votes and Proceedings* of that day be now concurred in.

• (8:10 p.m.)

Mr. Arnold Peters (Timiskaming): Mr. Speaker, there is only one comment I have to make about the report, now that I have had an opportunity of reading it. I find in the report that one Member of the staff of this House receives a very large increase in salary. I think this matter should be reconsidered, in light of the fact that his services, in the opinion of the Committee, were no longer required and a recommendation to that effect was made almost a year ago. I believe this is really an abuse of the committee of the House, namely to give a large salary increase to this particular individual, in light of the fact that not only the recent committee but several previous committees censured, without success, this man.

It seems to me that it takes away all the effectiveness and value of the committee if one of the largest increases given to any employee of this House goes to an individual with regard to whom a joint committee of this House and the other place recommended discharge some months ago. I suggest that the committee look at this particular matter, because it seems to me to be completely contrary to the efficient operation of the House.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I sought to catch your eye merely in an attempt to get in before the hon. Member for Winnipeg North Centre (Mr. Knowles) to ask for an assurance from the President of the Privy Council (Mr. McIlraith) that the increases will ensure that all these employees will receive at least the $1.25 an hour minimum wage.

Mr. Knowles: Starting tomorrow.

Mr. Barnett: Yes, starting tomorrow.

Mr. McIlraith: Mr. Speaker, it is my understanding that all of them get more than $1.25 an hour now. In any event, a check is being made to make sure that there is no case where an employee is getting less than the amount required by the provisions of the

Canada Labour Standards Code. I believe that there are no persons receiving less than that amount now, but it is being checked.

Mr. Barnett: Thank you, Mr. Speaker. I just wanted to be sure that the hon. Member for Winnipeg North Centre would be able to enjoy a happy July 1 celebration.

Mr. Knowles: Merci beaucoup.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I listened with interest to what the hon. Member for Timiskaming (Mr. Peters) had to say. The hon. Member tells me he was referring to the manager of the Parliamentary Restaurant, whose services have been examined by the joint committee of this House and the other place. The hon. Member also informs me that the committee recommended that this gentleman be discharged. I do not know anything about the details of the matter, but it does seem odd to me that after a committee which is recognized and appointed by this House and the other place has made a certain recommendation, the Internal Economy Commission should go against that recommendation and give a very large increase in salary to this person. Personally, Mr. Speaker, I believe there are other persons employed around this building who are more deserving to receive this type of consideration than the person I have mentioned.

Motion agreed to.

BUSINESS OF THE HOUSE

SUMMER ADJOURNMENT

Hon. G. J. McIlraith (President of the Privy Council) moved:

That when this House adjourns this day, it stands adjourned until Monday, September 27, 1965, at 2.30 o'clock p.m., provided always that if it appears to the satisfaction of Mr. Speaker, after consultation with Her Majesty's Government, that the public interest requires that the House should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time.

In the event of Mr. Speaker being unable to act owing to illness or other cause, the Deputy Speaker shall act in his stead for the purpose of this order.

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

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I willingly give my consent to the presentation made by the President of the Privy Council. However, I would like to know, before we adjourn, if the President of the Privy Council and the Secretary of State for External Affairs, as well as all the members of the cabinet, will have enough time during those three months to study the proposals of the Social Credit party which aim at giving Canada a sound administration.

Some hon. Members: Oh, oh.

[*English*]

Mr. Monteith: Debt free money. The Minister of Finance will go for it.

Mr. Gordon: Mr. Speaker, I should like to assure my hon. friend that we do not need any time for that.

Motion agreed to.

AETNA CASUALTY AND SURETY COMPANY OF CANADA—REQUEST FOR CONSIDERATION OF BILL

Mr. A. J. P. Cameron (High Park): Mr. Speaker, may I crave the indulgence of the House. This morning there was referred to the House from the Senate, Bill No. S-18, an Act to incorporate Aetna Casualty and Surety Company of Canada. If I have the unanimous consent of the House I would move that we revert to private Members' business, and if I could also obtain unanimous consent I would move that the petition for an Act to incorporate Aetna Casualty and Surety Company of Canada—

Some hon. Members: No.

Mr. Deputy Speaker: Order, please. There is obviously not unanimous consent in respect of the motion proposed by the hon. Member.

Mr. Cameron (High Park): Mr. Speaker, I would have liked to receive unanimous consent, because otherwise this bill will be delayed for three months and it is a very important matter. I am sorry that unanimous consent has not been given.

Mr. Grégoire: We will see you in three months time.

Mr. Deputy Speaker: Is it agreed that we suspend the sitting of the House to the call of the Chair?

Some hon. Members: Agreed.

Mr. Knowles: Mr. Speaker, will that be by a ringing of the bells?

Mr. Deputy Speaker: Yes, hon. Members will be called by the ringing of the bells.

At 8.20 p.m. the sitting was suspended.

SITTING RESUMED

The House resumed at 10.03 p.m.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the House that I have received the following communication:

Ottawa, June 30, 1965.

Sir:

I have the honour to inform you that the Honourable Robert Taschereau, Chief Justice of the Supreme Court of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber today, June 30, at ten o'clock p.m., for the purpose of giving the Royal Assent to certain bills.

I have the honour to be,
sir,
Your obedient servant,
A. G. Cherrier,
Assistant Secretary to the Governor General

A Message was delivered by Major C. R. Lamoureux, Gentleman Usher of the Black Rod as follows:

Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

• (10:20 p.m.)

And being returned:

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the Royal Assent to the following bills:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1966.

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1966.

An Act to amend the War Veterans Allowance Act, 1952.

An Act to amend the Veterans' Land Act.

An Act to amend the Children of War Dead (Education Assistance) Act.

An Act to amend the Army Benevolent Fund Act.

An Act to amend the Income Tax Act and the Federal-Provincial Fiscal Arrangements Act.

An Act respecting the construction of a line of railway in the Province of Ontario by Canadian National Railway Company from a point at or near mileage 3.2 of the Froomfield Spur of the Canadian National Railway near Sarnia in a southerly direction for a distance of approximately 12 miles to the property of Canadian Industries Limited in Sombra Township in the County of Lambton.

An Act to amend the Customs Tariff.

An Act to amend the Customs Act.

An Act respecting The Algoma Central and Hudson Bay Railway Company.

Royal Assent

An Act respecting Great Northern Railway Company and Great Northern Pacific & Burlington Lines, Inc.

An Act to incorporate Principal Life Insurance Company of Canada.

An Act respecting The Canadian Institute of Mining and Metallurgy.

An Act to provide incentives for the development of industrial employment opportunities in designated areas in Canada, and to effect certain related amendments to the Income Tax Act.

Hon. G. J. McIlraith (President of the Privy Council): Mr. Speaker, I should like to take advantage of this moment, before moving that the House adjourn, for the purpose of doing something that is particularly delightful for me, that is, to wish all hon. Members of the House a very pleasant summer recess which has been well earned and is, if I may be permitted the licence, much needed. I should like each Member of the House, no matter where he may sit, to return to the pleasant surroundings of his home and his constituency and, in spite of whatever the work ahead of him may be, to have in the meantime a well earned holiday and recess so that he may refresh himself. I hope that Members of the Opposition will do so in a way that will not give them too much energy upon their return to this place, but will at least make them feel very pleased about their return. In the case of Members on this side of the House I hope, of course, that they will be refreshed in a way that will give them much energy for the fray that may lie ahead after the 27th of September.

Hon. Michael Starr (Ontario): Mr. Speaker, may I take a moment to thank the President of the Privy Council and House Leader for his good wishes. We on this side of the House wish him and all his colleagues in the Government a good rest. I hope they will not be called to Cabinet meetings too soon, and that they will all be given an opportunity to get the cobwebs out of their heads, because the presence of cobwebs has been noticeable in the last few weeks. We promise that when we come back we will endeavour to guide the Government along a path different from that which they have been following in the past few years, a path which will bring prosperity to this country.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we too should like to thank the Government House Leader for his good wishes. We too would like to reciprocate by extending our best wishes to Your Honour and to all Members of the House and to the staff, whom we have perhaps overworked during the past year or two. We welcome

the suggestion that we might find refreshment during the weeks of recess that lie ahead. We will come back ready for the fray and we hope the Government will give us, on the 27th of September, an order paper that is full of things that will be good for this country.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, this is an occasion on which we all share the same sentiments. It is not too often that this happens, but this is one of the occasions. We appreciate the kind expression of good wishes from the House Leader and we express to the House Leader and the Members of the Government as well as other Members of this House our sincere wishes for an enjoyable, refreshing holiday. Looking back, I think we can say we have accomplished many things in the past few weeks, and of course will be looking forward to resuming business in the fall.

[*Translation*]

Mr. Caouette: Mr. Speaker, I would like to add my voice and that of my group, which is not very large this evening to that of other members who spoke before me, to wish everyone, and especially to you, Mr. Speaker, a happy and restful recess, because you had a thankless and difficult task in maintaining order between the various groups of the house.

Mr. Speaker, you fulfilled your job so admirably that I think we should not refer to political matters or partisanship, but that we must altogether admire the faultless and admirable way in which you presided over the business of the house.

Mr. Speaker, I was listening a moment ago while the President of the Privy Council wished us a happy recess, and I thank him. Indeed, we will have a happy recess, and I know that several members will attend conventions or travel to other countries during the holidays. We will re-assemble on September 27, 1965, that is in three months.

Now, as I said this afternoon, I make the wish that the President of the Privy Council (Mr. McIlraith) and the various ministers—particularly the Minister of Finance (Mr. Gordon)—will take time out during those three months to study the proposals of the Social Credit party, in order to give Canada, when the session resumes, an administration that is sound, logical and financially—

Mr. Béchard: Achievable.

Mr. Caouette: —achievable.

[*English*]

Mr. Speaker: I should like to render one more little service to the House, to assist hon. Members in soothing their weary frames and weary voices. If they are so inclined, it would be an honour to receive them in the Speaker's Chambers immediately following the adjournment.

Mr. McIlraith: I move that the House do now adjourn.

Motion agreed to and the House adjourned at 10.33 p.m. until Monday, September 27, at 2.30 p.m.

[The following items were passed this day in Committee of Supply:]

DEPARTMENT OF INDUSTRY

Loans, Investments and Advances—

L27c. Loans, in the current and subsequent fiscal years and in accordance with terms and conditions prescribed by the Governor in Council, to assist manufacturers of automotive products in Canada affected by the Canada-United States Agreement on Automotive Products to adjust and expand their production, such loans to be made for the purpose of acquisition, construction, installation, modernization, development, conversion or expansion of land, buildings, equipment, facilities or machinery and for working capital; and to authorize, notwithstanding Section 30 of the Financial Administration Act, total commitments of $20,000,000 for the foregoing purposes during the current and subsequent fiscal years, $10,000,000.

DEPARTMENT OF LABOUR

5c. To extend the purposes of Labour Vote 5 Main Estimates, 1965-66 to include authority for payments of transitional assistance, in accordance with regulations approved by the Governor in Council, to workers in automotive manufacturing and parts industries who become unemployed as a result of the operation of the Canada-United States Agreement on Automotive Products, $5,000,000.

END OF SESSION